

MT LEGISLATIVE HISTORY

Chapter 220 1985

Bill (H) 236 S _____

Original bill & hist. ____C

H. Committee on Business & Labor

S. Committee on Business & Industry

Hearing Date(s) FEB 6 ☒ C

Hearing Date(s) MAR 12 ☒ C

_____ ☐ C

MAR 28 ☒ C

_____ ☐ C

APR 4 ☒ C

_____ ☐ C

APR 3 ☒ C

Date Out _____ ☐ C

_____ ☐ C

Did this bill originate in an interim committee? ____Yes ____No

Committee _____

Report _____

House exhibits not included - same as Senate's Mar 12.

STATUS SHEET

49TH

LEGISLATIVE SESSION

COMMITTEE ON BUSINESS AND LABOR

HOUSE BILL NO.	ENTERED COMM.	DATE CONSIDERED	OUT OF COMM.	DO PASS DATE	DO NOT PASS DATE	DO PASS AS AMEND. DATE	BE CON- CURRED IN DATE	BE CONC. IN AS AMENDED DATE	BE NOT CON- CURRED IN DATE
233	1-17		REREFERRED TO AGRICULTURE						
234	1-17	2-11/2-13	2-13		2-13				
236	1-17	2-6	2-6	2-6					
237	1-17								
251	1-18	1-25	1-25			1-25			
261	1-18	1-23/1-25		TABLED					
263	1-19	1-22/1-23 1-24	1-24			1-24			
264	1-18	1-22/1-23	1-23			1-23			
272	1-19	1-28	1-28			1-28			
273	1-19	1-24/2-20		TABLED					
278	1-19	1-28		TABLED					
280	1-19	1-25	1-25			1-25			
284	1-19	1-29/2-5 2-7	2-7			2-7			
285	1-19	1-25	1-25	1-25					
290	1-21		REREFERRED TO HUMAN SERVICES						
295	1-21	1-30/2-14	2-14			2-14	(SUBCOMMITTEE)		

Use a separate sheet for Senate, House Bills, and Resolutions

all were excused by the vice-chairman and the hearing on House Bill 402 was closed.

HOUSE BILL 236: Hearing commenced on House Bill 236. Representative Bob Pavlovich, District #70, sponsor of the bill, stated that by a supreme court decision, the "Draw 80" poker machine is not included in the definition of "card game". The revenue generated from these machines stays in the county. The main-street merchants are being asked to pay the 56 million dollar deficit in the unemployment trust fund and are willing to pay, but should be given a chance to make a dollar, added Representative Pavlovich. Exhibits 9, 10, and 11 were distributed to the committee.

Proponent Don Peoples, Chief Executive, Butte-Silver Bow County, stated that the revenue line must be looked at seriously. The loss of approximately \$139,000 in revenue means running or not running a bus system in Butte. Local government needs every cent that can be generated. The poker machines produce badly needed revenue, explained Mr. Peoples.

Proponent Representative Red Menahan, representing Deer Lodge County, explained that they have suffered a 29% decrease in their tax base. Deer Lodge County has the highest property taxes in the state and police and fire protection are needed. We should help people on the local level and have faith in our city fathers, stressed Representative Menahan.

Proponent Representative Dave Brown, District #72, stated that poker machines have been enjoyed all over the state. In many instances these machines represent the margin on which businesses operate and can mean keeping some in business.

Proponent Neal Kirkness, a Billings City Council Member, submitted written testimony which is attached hereto as Exhibit 12.

Proponent Walt Ryseck, testifying as a taxpayer, stated that these machines provide amusement to many. In Billings there were 750 units in 52 taverns. The revenue generated from these machines go to protection and with funds from the federal government becoming less and limited, we need all that we can get, added Mr. Ryseck.

Proponent Ernie Jassisski, provided testimony from Mr. Roger W. Young, President, Great Falls Chamber of Commerce, which is attached hereto as Exhibit 13.

Proponent Senator Dick Manning, District #18, stated that several Canadians expressed their feeling for the need of poker machines. These machines attract the Canadian tourist, which in turn also helps our economy, added Senator Manning.

Proponent Donald W. Larson, representing the Montana Tavern Association, explained that in our depressed economy, additional revenue is needed. House Bill 236 would afford local government and Montana tavern owners the opportunity to work together.

Proponents Earl Kelley and Phil Strobe offered their support of House Bill 236.

Approximately 138 proponents to the bill, offered their support by stating their name, occupation, and where they were from. The visitors' register attached hereto, reflects all those individuals who testified.

Opponent Cathy Campbell, representing the Montana Association of Churches, submitted written testimony which is attached hereto as Exhibit 14. Ms. Campbell also presented Exhibit 15 to be placed on record.

In closing, Representative Pavlovich stated that an approximate loss of \$216,000 has been felt by the loss of the poker machine and that such funds must come out of the general fund. With respect for the church, Representative Pavlovich explained that the vast majority of proponents are church going people of all denominations who support their church, and also support House Bill 236. Slot machines have a handle and these do not. Representative Pavlovich asked the committee to give the main-street businessmen consideration.

There being no further discussion by proponents and opponents, all were excused and the hearing was closed.

ACTION ON HOUSE BILL 602: Representative Driscoll made a motion that House Bill 602 DO PASS. Representative Driscoll then moved the amendments. Paul Verdon, staff researcher, explained that work was needed on the amendments. Representative Driscoll withdrew his motion.

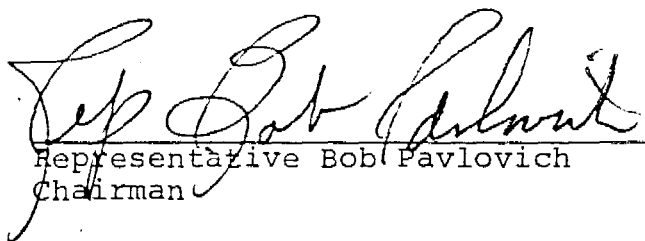
ACTION ON HOUSE BILL 422: Representative Schultz raised questions regarding the recourse of an individual that was not satisfied with the work of a water well contractor. Representative Ellerd moved that House Bill 422 DO PASS. Representative Schultz questioned the definition of "unprofessional conduct". Representative Glaser suggested that "gross

negligence as defined by the board or incompetence as defined by the board", be put back into the bill. Representative Ellerd withdrew his motion and made a substitute motion that House Bill 422 BE TABLED. House Bill 422 is TABLED by unanimous vote.

ACTION ON HOUSE BILL 402: Representative Wallin moved that House Bill 402 DO PASS. Questions were asked by Representatives Brandewie, Thomas, Bachini, and Glaser as to the requirements for cancellation and the time periods presented in the bill. Representative Simon made a substitute motion that House Bill 402 BE TABLED. Representative Hart seconded. House Bill 402 is TABLED with Representatives Ellerd, Brandewie, Glaser, Jones, McCormick, and Wallin voting no.

ACTION ON HOUSE BILL 236: Representative Kitselman made a motion that House Bill 236 be referred WITHOUT RECOMMENDATION. Representative McCormick made a substitute motion that House Bill 236 DO PASS. A roll call vote resulted in 10 members voting yes, 9 voting no and one abstaining. House Bill 236 PASSED.

ADJOURN: There being no further business before the committee, the meeting was adjourned at 11:00 a.m.


Representative Bob Pavlovich
Chairman

DAILY ROLL CALL
BUSINESS AND LABOR COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date February 6, 1985

NAME	PRESENT	ABSENT	EXCUSED
Bob Pavlovich	✓		
Les Kitselman	✓		
Bob Bachini	✓		
Ray Brandewie	✓		
Jan Brown	✓		
Jerry Driscoll	✓		
Robert Ellerd	✓		
William Glaser	✓		
Stella Jean Hansen	✓		
Marjorie Hart	✓		
Ramona Howe	✓		
Tom Jones	✓		
Mike Kadas	✓		
Vernon Keller	✓		
Lloyd McCormich	✓		
Jerry Nisbet	✓		
James Schultz	✓		
Bruce Simon	✓		
Fred Thomas	✓		
Norm Wallin	✓		

ROLL CALL VOTE

HOUSE COMMITTEE BUSINESS AND LABOR

DATE 2/6/84 BILL NO. 236 TIME 10:30

NAME	AYE	NAY
Bob Pavlovich		
Les Kittelman	✓	
Bob Bachini	✓	
Ray Brandewie		✓
Jan Brown		
Jerry Driscoll	✓	
Robert Ellerd		✓
William Glaser		✓
Stella Jean Hansen		✓
Marjorie Hart	✓	
Ramona Howe	✓	
Tom Jones	✓	
Mike Kadas <i>abstain</i>		
Vernon Keller		✓
Lloyd McCormick	✓	
Jerry Nisbet	✓	
James Schultz		✓
Bruce Simon	✓	
Fred Thomas		✓
Norm Wallin		✓

Secretary Debbie Aquil

Chairman Bob Pavlovich

Motion: Do Pass 10-9

STANDING COMMITTEE REPORT

February 6

19 85

SPEAKER

MR.

BUSINESS AND LABOR

We, your committee on

HOUSE

having had under consideration Bill No. 236

FIRST

reading copy (WHITE)
color

REDEFINE "CARD GAMES" TO INCLUDE VIDEO GAME MACHINES

HOUSE

Respectfully report as follows: That Bill No. 236

DO PASS

BILL NO	REFER DATE	HEARING DATE	CONSIDERATION DATES	COMMITTEE ACTION	REFERRED TO COMM	DATE OUT
HB0221	2/07	3/06	3/6	ADVERSE REPORT		3/6
GARCIA, RODNEY L. MAKE LAW ON RESIDENTIAL TENANTS' SECURITY DEPOSITS APPLY TO COMMERCIAL						
HB0223	2/04	3/06	3/07	TABLED		3/7
RAMIREZ, JACK REMEDY FOR LANDLORD IF TENANT VACATES WITHOUT GIVING PROPER NOTICE						
HB0236	2/15	3/12	3/28	CONCUR AS AMENDED	BUSINESS & LABOR	3/28
PAVLOVICH, ROBERT J. (BOB) REDEFINE "CARD GAMES" TO INCLUDE VIDEO GAME MACHINES						
HB0236	3/28		4/04 4/3	CONCUR AS AMENDED		4/4
PAVLOVICH, ROBERT J. (BOB) REDEFINE "CARD GAMES" TO INCLUDE VIDEO GAME MACHINES						
HB0264	1/30				JUDICIARY	
PISTORIA, PAUL G. REQUIRING BUILDING CONTRACTORS TO PROMPTLY PAY SUBCONTRACTORS, SUPPLIERS						
HB0266	2/07	3/07	3/7	CONCUR		3/7
HARBIN, RAYMOND K. REQUIRE TAX PAYMENTS OVER \$500,000 TO BE MADE BY ELECTRONIC FUNDS TRANSFER						
HB0268	2/07	3/08	3/8	CONCUR		3/8
HARBIN, RAYMOND K. AGENCY LETTING CONTRACT TO HOLD SECURITY IN LIEU OF RETAINED PAYMENTS						
HB0321	2/07	3/05	3/5	CONCUR		3/5
PECK, RAY REVISE DEFINITION OF DEMAND AND TIME DEPOSITS						
HB0334	2/07	3/08	3/13	CONCUR		3/13
GOULD, R. BUDD RENTAL OF PORTABLE BEER DISPENSERS BY BEER WHOLESALERS TO RETAILERS						
HB0338	2/22	3/13	3/26 3/27	CONCUR AS AMENDED		3/27
ADDY, KELLY GENERALLY REVISE TITLE INSURANCE LAWS						
HB0359	2/12	3/12	3/13	CONCUR		3/13
NISBET, GERALD D. (JERRY) LOANS GUARANTEED BY STATE AGENCY EXEMPT FROM BANK LOAN LIMIT						

MINUTES OF THE MEETING
BUSINESS & INDUSTRY COMMITTEE
MONTANA STATE SENATE

March 12, 1985

The 36th meeting of the Business & Industry committee met in Room 325 of the Capitol Building at 10 a.m. Tuesday, March 12, 1985. The meeting was called to order by Chairman Mike Halligan.

ROLL CALL: All committee members were present.

CONSIDERATION OF HOUSE BILL 236: Representative Bob Pavlovich Senate District 70, Butte is the chief sponsor of House Bill 236. He stated when it was first introduced in the House it was a very simple bill to allow draw poker machines. He offered some amendments and a statement of intent for the committee's consideration. (EXHIBIT 1) The county attorney's felt it was not clear enough to include Draw 80 Poker so they added games played against the house. The Department of Revenue will be able to apply rules and there is an \$800 fee, \$400 for the cities and towns and \$400 for the Department of Revenue general fund. He gave the committee a list of the cities and counties that had machines before they were made illegal. 28 had machines and 17 were paying a license fee structure and 11 were not paying. There were \$667,931 paid in those counties that paid in 83-84 and in 84-85 it was down to \$452, 512 after the machines were banned. (EXHIBIT 2) He also submitted newspaper clippings concerning Draw Poker machines. (EXHIBIT 3) A petition from residents of Miles City supporting SB 391, and an analysis of coin operated game machines by Dougherty & Associates Great Falls accountants. (EXHIBIT 4) He also submitted a letter from James Davis, Silver Bow Treasurer. (EXHIBIT 5)

PROPOSERS: Don Peoples, Chief Executive of Butte Silver Bow spoke in support of HB 236. With the difficult times that federal and state is faced with he feels it will provide very important revenue for local government. They anticipate it would help replace subsidies they have lost from federal government. He cited examples of how much it would particularly help with programs such as local transit systems and other areas that need assistance.

Neal Kirkness, from the Billings City Council, feels there is much support for having draw poker and it would generate significant sources of revenue for local governments. (EXHIBIT 5) He also submitted a list of machine vendors present from Billings who were in support of HB 236. (EXHIBIT 6) He submitted a letter from May Jenkins, Yellowstone County Treasurer urging support for needed revenues. (EXHIBIT 7)

Mike Kennedy, a member of the Billings City Council, spoke in support of the bill for needed local revenues it might generate. (EXHIBIT 8)

Phil Strobe, from the Montana Tavern Association introduced several from his group who wished to testify supporting SB 236.

Don Larson, of Helena, President of the National Beverage Association, urged support of the bill and the amendment proposed. (EXHIBIT 9)

Hank Yodle, from Miles City, Montana described the losses their business community has suffered in the past couple of years due to fires and how badly they need new business to stimulate the economy again in their area.

Don Robinson, a Great Falls radio broadcaster and owner of several other businesses in that area. He feels the bar and lounge business is very important to our society and that they are not in the business to ruin people but to provide entertainment. He feels the retailers are in support of Draw 80 poker and we need the business to attract those who are going out of state now. He feels that SB 391 is too restrictive of trades and is not a free enterprise concept.

Buck Toustenson, co-owner and manager of the Outlaw Inn in Kalispell, favors this bill because it will provide revenue so badly needed especially more entertainment for visitors. (EXHIBIT 10)

Chris Stobie, former Representative from Sanders County, feels this is a good bill and that it will provide what the public wants. He stated there are not a lot of rich bar owners. He knows you cannot put in a costly machine that ties in to the state computers and if you put too much expense into it the bill will be killed. He feels this bill is a reasonable request and won't tie up a lot of administrative detail.

Stuart McQuade, a university student from Kalispell, who has studied gambling extensively through research, feels this bill would be very marketable because it offers a viable source of revenue and a safe environment for those who enjoy gambling. If they don't gamble here they will go to other states and this would allow the revenue to remain here. House Bill 236 divides the revenues more evenly he feels than SB 391.

Sheldon Neilson, from Plentywood, Montana, representing the tavern owners in Daniels County, explained some of the problems they are having in their area and how much it would mean to them to have the revenues this might generate especially from Canadian neighbors.

Richard Smith, owner of an amusement company in Miles City, explained they support HB 236 because he as a small business owner cannot afford to buy any new equipment and would like to be able to utilize what machines he has now and get them back into operation. (EXHIBIT 11)

Phil Strobe, from the Montana Tavern Association, had the people in the audience stand who were in support of HB 236 and who want the Draw Poker machines. He referred to the information from Dougherty which dispels the myth that SB 391 will bring in great revenues. He stated the people don't want to give the opportunity for just one person to be able to manufacture the machines. He submitted letters from Moose Lodges, a petition from the Cut Bank area and others who cannot testify. (EXHIBIT 12)

OPPONENTS: John Poston, representing the Montana Coin Dealers Association, stated they had just received a copy of the amendments being proposed this morning. He feels the amendments if passed would guarantee a lawsuit. They would like to see the passage of a law to allow the electronic video machines. He feels there is no protection in SB 236 for the player and there is no control over how the machines will be operated. The word poker is not mentioned in the bill only one small portion of an amendment has any reference to poker. He feels this bill would allow the machines to be placed anywhere, and there would be no protection to keep minors from playing the machines. Initially there was no revenue in the bill and he wondered if there will be a fiscal note. Each county attorney had the opportunity to interpret the law before and this would give them that authority again and that is why Draw 80 Poker was eventually banned. He feels it might open the door to all kinds of card games because of the way it is worded in the bill such as stud poker, blind tiger, whiskey poker, 7 card stud and even 2 card stud. He felt Montana was a dumping ground for machines which had been outlawed before in other states and this would open it to these types of machines again. He feels there would be no control of payouts in this bill.

William Rizer, Pastor of St. John's Luthern Chrch in Helena, speaking for the Montana Association of Churches stated they have developed a position which is not against gambling but rather opposes any attempt to expand gambling in the state. He felt that source of revenues would be at a price to the citizens. He feels it is a serious threat to the social order of our communities and sets up crime related problems. He urged a Do not pass.

Kathy Campbell, Montana Association of Churches, feels the Draw Poker machines are simply slot machines. There would be no control over the machines and no restriction over the number of machines in a bar. She fears they might be in grocery stores and where children would have access to them. She also feared more problems with compulsive gamblers. (EXHIBIT 13) She urged defeat.

Vern Bertelson, of Ovando, Montana was amazed to see this bill pass through the House and is very concerned about the welfare of the citizens of Montana. He feels this is simply a clever ploy to bring the slot machines back and with it all the problems that incurred when gambling was allowed. It is very very serious he feels and urged defeat.

Reverend Bob Holmes, Pastor of St. Paul's United Methodist Church in Helena, representing the Yellowstone Conference of the church, feels this bill if passed goes against the majority of the people in Montana's wishes when Int. 92 was defeated by a margin of 2 to 1. He stressed the problems that incurred when gambling is prevalent and what it does to the family structure. The only sure winners are those who make a living from it. He feels there are more creative ways of obtaining revenues than this bill would provide.

Rep. Paul Pistoria from Great Falls District 36, has a neutral position on the bill. He is not against the bar owners but he is looking at what is the most feasible for the bar owners and the state. He feels gamblers are going to gamble anyway and why not keep the revenue in the state. He is not against HB 236 but feels that SB 391 will bring in more revenue and be more controlled. He urged the parties involved to resolve the differences between the two video poker bills and work out a compromise. He feels we need something that will protect all the people of Montana.

Letters from Father Staudinger and Rae Kalbfleisch, Toole County Attorney were also submitted. (EXHIBIT 14)

Questions were then called for from the committee members.

Senator Christiaens wondered if a fiscal note had been requested and Rep. Pavlovich stated they had not. With his bill if there were 5000 machines it would generate \$4 million to the state and \$4 million for the local governments and towns.

Senator Gage wondered if there would be a limit on the number of machines that would be placed and Rep. Pavlovich stated there were none. The Department of Revenue might want to include this in their rules however.

Senator Fuller asked Rev. Rizer if he was against bingo and he said the church position accepts the present status on bingo but opposes expanded gambling.

Senator Kolstad asked Rep. Pavlovich about placing machines everywhere. He felt this would not be a problem and that the Department of Revenue could adopt rules or the city and counties could also.

Senator Goodover asked how the fee would be distributed state-wide and was told if it was issued in the county it would go to the county and in the city to the city involved. He wondered if they had received any input from the counties if they would not receive any revenues under this amendment and Rep. Pavlovich stated he had not received any opposition.

Senator Williams asked Phil Strobe about the report of Dougherty. He stated the analysis feels that revenue is way overstated in SB 391 from what the revenues actually would be to the state.

Senator Halligan could see a problem in the definition of where the machines could be located. Rep. Pavlovich felt that the Department of Revenue could regulate this and if the committee felt this should be amended, that would be fine with him.

Senator Halligan also felt the definition of poker was pretty broad, but Rep. Pavlovich stated he felt it was not. Senator Gage asked if there was any guess as to how much income it would bring to the tavern owners and Rep. Pavlovich stated it would definitely be a plus for them.

Senator Goodover wondered if the fraternal organizations that were in favor could get together so that if the establishment wanted to be tied in with the state computers they could be if they desired. Rep. Pavlovich felt this would be up to the committee to decide on this. Senator Goodover wondered about the machines that could be changed for the amount of the take on a weekend for example. Rep. Pavlovich stated most bar owners were honest and did not know what the term meant, weekend machines.

Rep. Pavlovich stated in closing that the unemployment trust is not very solvent and the bar owners contribute regularly to this. He feels they are honest people and churchgoers too. He felt there was more dishonesty after it went to the Supreme Courts. He felt all the machines that were brought in were good machines and not a dumping ground as had been alleged. He felt the machines would not be where children were able to get them. He did not feel it was an expansion of slot machines and there was nothing wrong with a simple poker machine. He would be willing to work with the committee over any problems they might feel there are in the bill. The hearing was closed on House Bill 236.

ROLL CALL

BUSINESS & INDUSTRY

COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date 3/12/85

SENATE
SENT

NAME	PRESENT	ABSENT	EXCUSED
Chairman Halligan	X		
V-chrm. Christiaens	X		
Senator Boylan	X		
Senator Fuller	X		
Senator Gage	X		
Senator Goodover	X		
Senator Kolstad	X		
Senator Neuman	X		
Senator Thayer	X		
Senator Williams	X		
Senator Weeding	X		

Each day attach to minutes.

DATE

MARCH 12, 1985

FILED 36

HB 359

COMMITTEE ON BUSINESS & INDUSTRY

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
Rue Lee Duval	Salmon Ladder Basin	236	✓	
Walter B. Bunk	Lt. J. Don Kerner & Son	236	✓	
Tim Murphy	MAVERICK BAR & Grill	236	✓	
For. Encl. Bunk	MEMIDA - Schl	236	✓	
Broadview High School	Broadview H.S. "	visiting		
James Bunker	Slk	visitor		
John M. Olson	Slk	236	✓	
John Minter	Slk	236		
Walter T. Kearley	Slk	236	✓	
James A. & Susan	L. J. & Son	236	✓	
Grandfather's	Royal Inn & Suites	236	✓	
William F. & Mary	Paradise Inn & Suites	236	✓	
Tom Peterson	Lake Co. (Hemlock)	236	✓	
Barbara K. Peterson	" "			
Mary Jones	Big Sky Bar	236	✓	
Erith P. Jones	Big Sky Bar	236	✓	
Mike Morrison	Lake Side Resort	236	✓	
Baker Park	Silver Lake	236	✓	
James Bunker	Cadillac Band	236	✓	
Vol. Bunker	Alvord House	236	✓	
Eric Bunker	Club Tiger	236	✓	
Tom Bunker	" "	"	"	
John Bunker	Slk	236		✓
Walter Bunker	Yacht Basin	236	✓	

(Please leave prepared statement with Secretary)

HB 236

DATE 3-12-85

COMMITTEE ON

Senate Bill

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
Robert Geist	Dusko's Tavern	HB 236	X	
George Cheng Leithiser	Dusko's Tavern		X	
Norman V. Miller	Georgia's Rainbow Tavern		X	
Louise Kind	Land Coulee		X	
Louis Kind	Land Coulee		X	
Glen T. Humphrey	Jackson, Montana		X	
W. J. Humphrey	Jackson Lodge		X	
Nick Mungia	Carbon County Coal Co.		X	
Joe Flynn	Carbon County Tax Assoc		X	
Mike J. Flynn	Snag Bar		X	
Frank W. Lester	Peeters Bar		X	
Harriet Oester	" "		X	
Robert Bailey			X	
Norman Syth	Grain Saloon		X	
Sam M. Syth	" "		X	
Donald Adams	Modern West Bar		X	
K. W. Brown	Modern West Bar		X	
James Shaskan	Elke Club 214		X	
Mike Rudge	Video Game Leasing		X	
David F. Brown	Play Room		X	
Neal S. Feyer	Pioneer Bar Virginia City		X	
Ed. Seimzig	Big Sky Music		X	
Donna E. Fisher	Teton Tavern		X	
Phil E. Fisher	Teton Tavern		X	
Linda H. Ackerman	TOWN TAVERN		X	
Margaret Ackerman	TOWN TAVERN		X	

(Please leave prepared statement with Secretary)

B236

DATE

3-12-85

COMMITTEE ON

B & I - Senate

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppos
Ben Torenson	Out Law Tavern	236	X	
Chadwick Butch Nicken	Cassidy Bar	11		
m. J. J. J.	Big B. Biggs			
Dale Anderson	Vending Division Rep.			
Murray McDonald	City Council Ennis			
Robert McDonald	SILVER DOLLAR ENNIS			
egge, Leriva	NORRIS BAR, NORRIS			
Bart Levy	Silver Dollar Ennis			
Edward Backler	Park Cafe Lounge & Lounge			
elene Backler	Park Cafe - Concorda			
Dary Matthews	Cellar Lounge - Miles City			
Francis Olson	Water Hole, Libby, Redpoint			
Dinah R. Evans	Wite owl - Helena			
Jed. Murphy	PIN-N-CUE Recreation			
Kelly R. Bond	Log Cabin - Miles City			
Paul J. J. J.	MURPHY Bowling Center G. PAUL			
Don J. J. J.	Dillon Bar, Dillon M.D.			
Tom J. J. J.	Papats Dillon MT			
Danny T. McLaughlin	BAR 19 Lewistown, MT			
Clyde J. J. J.	Flank Miles City			
Mike J. J. J.	Pagle Bar Dillon			
Ray J. J. J.	Club Buffet Fishland.			
J. J. J. J.	Oliver Hill - M.C.			
Lang Brewer	BREW'S B. HANDS BUTTE			
Joe Swan	Highland Dance			
Joe J. J. J.	SKYWAY PAUL & LANGE			

(Please leave prepared statement with Secretary)

410200

DATE

3-12-85

COMMITTEE ON

Senate Budget

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppos
Stephen Jannone	SWTA	236	X	
Ruhid W. Smith	Big Sky Amusement	236	X	
Mark W. Beach	Big Sky Amusement	236	X	
Christine L. Moore	Homestead Inn	236	X	
Robert F. Glass	GLASS SHIPPER	236	X	
Duane E. Brazil	Starward Inn	236	X	
Dorothy Duffey	Nite Owl	236	X	
Ron Clark	Roses Cantina	236	X	
Jerry Berger	PT's Lounge	236	Y	
Gabe F. Bando	Andy's Lays Ch	236	X	
Betty G. Southern	2 G's Tavern	236	-	
John F. Kennedy	Barclay's	236	X	
Pat Watson	City Bar & B	236	X	
Phil Hornice	MINNEAPOLIS HOUSE	236	X	
Ken Buehler	Kear's Eat & Bar	236	X	
Rafael T. Ferraro	Rocking R Bar	236	X	
Steve Cruse	Old Faithful Bar	236	X	
James R. Barkell	Monroe Bar	236	X	
Leane L. Harper	Little John's Bar	236	X	
Debbie Wilcox	287 Conoco	236	X	
Burr L. Lively	Melrose Bar	236	X	
Johnny Heston	Billings M.T.A.	236	X	
Roy Christensen	Conoco	236	X	
Spiky House	GREAT TILLS	236	X	
BV Hanley	Conoco	236	X	

(Please leave prepared statement with Secretary)

NP 2230

DATE

3-12-85

COMMITTEE ON

Sen. to Bd

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppo
Barbara Greeny	Miles City Tavern Assn	236	X	
Gardner Greeny	600 Miles City Taverns	236	X	
Leppy Lawe	Log Cabin Brady	236	✓	
Caryl Clark	Musty's Brady	236	✓	
Edith Jones	Big Sky Bar	236	✓	
Larry Jones	"	236	✓	
Merle Spiering	Halfway House	236	—	
Clare Spiering	" "	236	✓	
Arthur Hobbs	UFW Home Mt	236	✓	
C. N. Carter	2 JS Tavern Ft. Shaw	236	✓	
Harold C. Bullock	Park County Tavern Assn	236	X	
James Miles	Village Inn Wyo Mt	236	✓	
Bob Blair	Reno Club Belling	236	✓	
Mark Walley	Silver Dollar Belling	236	✓	
Bill Mac Lyle	Pug Mallow's Billings	236	✓	
Alan Chen	THE BOWL BZM	236	X	
Eleena Lee	TREASURE LADS LIV.	236	X	
Charlie Delany	Delany's Va Villa Butte	236	X	
Keith Delany	Delany's Va Villa Butte	236	X	
Tom Tuckey	✓ ✓	236	X	
Dupe J. Husing	Mac's Bar	236	X	
Karen Pelloumini	PUG MALLOW'S Billings	236	X	
Orin Olson	Beacon Bar	236	✓	
Dennis L. Hipe	Rosa Room	236	X	
Gordon Welles	Buckhorn Bar	236	X	
Francis Welles	" "	236	X	

Alata Bird

VISITORS' REGISTER

(Please leave prepared statement with Secretary)

DATE _____

3-12-85

COMMITTEE ON

DATE _____
Senate Bx 1

VISITORS' REGISTER

[illegible]

VISITOR'S REGISTER

HOUSE

COMMITTEE

BILL

DATE 3-12-85

SPONSOR

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

DATE:

3-12-85

COMMITTEE ON

DATE _____
Senate Box _____

NAME _____

REPRESENTING

BILL, #

Check One	
Support	Oppo

Thomas M^cGroth

Bette Silver Row 9.C.

236

Donald L. Flints

Butte Shanty Row P.C.

H. M. Lude.

Kalsbeel mit

236

Mary Ann Vester

Playground

236

ROBINSON ST. 1
7/10/74

BILLINGS - WESTERN BAR

236

Handwritten signature: *Handwritten signature*

Halston Stockmiller

234

Jose Rivera
Paul Thomas

Augusta

234

Upstate 10/10/11

15	10	5	15

220

DATE:

VISITORS' REGISTER

[illegible]

(Please leave prepared statement with Secretary)

STATEMENT OF INTENT
House Bill No. 236

A statement of intent is required for House Bill No. 236, as amended, because it gives the Department of Revenue authority to make rules to implement the licensing of mechanical or electronic video games machines and to distribute the fees received for the licensing of mechanical or electronic video games machines according to the provisions of the Act. It is the intention of the legislature that the rules be consistent with other relevant laws and existing rules. It is further the intention of the legislature that the department cause to be designed and manufactured a distinctive device that will serve as an identifying and validating mark for each game machine so licensed. The department shall further provide methods to account for all such devices and to enforce the provision that no mechanically or electronic video game machine be made available to the public unless it has been duly licensed with payment of the fee and attachment of the validating device.

Amendments to HB236, third reading bill

1. Title, line 5
Following: "INCLUDE"
Insert: "A GAME PLAYED AGAINST THE HOUSE AND"
2. Title, line 6
Following: "MACHINE"
Insert: "PROVIDING FOR LICENSING OF MECHANICAL OR ELECTRONIC
VIDEO CARD GAMES;"
Following: "AMENDING"
Strike: "SECTION"
Insert: "SECTIONS"
Following: "23-5-302,"
Insert: "23-5-311, AND 23-5-321,"
Following: "MCA"
Insert: "; AND PROVIDING EFFECTIVE DATES"
3. Line 14
Following: "part"
Insert: ", including a card game played against the house"
4. Following line 18
Insert: "Section 2. Section 23-5-311, MCA is amended to read:
"23-5-311. Authorized card games. (1) It is unlawful for
any person :
(a) to conduct or participate in any card game or make any
tables available for the playing of card games except those
card games authorized by this part, or
(b) to make any mechanical or electronic video game machine
available for the playing of a game simulating a game played
with cards except in conformance with section 4
(2) The card games authorized by this part are and are limited
to the card games known as bridge, cribbage, hearts, panguingue,
pinochle, pitch, rummy, whist, solo, and poker."

Section 3. Section 23-5-321, MCA is amended to read: "23-5-321
Licensing by local governing bodies. (1) Any city, town, or
county may issue licenses for the games provided for in this
part to be conducted on premises which have been licensed for
the sale of liquor, beer, food, cigarettes, or any other
consumable products. Within the cities or towns, such licenses
may be issued by the city or town council or commission. Licenses
for games conducted on premises outside the limits of any city
or town may be issued by the county commissioners of the
respective counties. When a license ~~has been~~ is required by
any city, town, or county, no game as provided for in this
part ~~shall~~ may be conducted on any premises which ~~have been~~
are licensed for the sale of liquor, beer, food, cigarettes,
or any other consumable product ~~without~~ unless such license
having is first been obtained.

(2) Any In addition to the license fee required to be paid to the department of revenue under section 4 , any governing body may charge an annual license fee for each license so issued under this part, which license fee, if any, shall expire on June 30 of each year, and such fee shall be prorated.

(3) Any license issued pursuant to this part shall be deemed to be a revocable privilege, and no holder thereof may acquire any vested rights therein or thereunder.""

NEW SECTION. Section 4. Licensing mechanical or electronic video game machine-fee-rules. (1) The department of revenue shall, upon payment of the fee provided in subsection (2) and in conformance with rules adopted pursuant to subsection (3), issue a license for each mechanical or electronic video game machine that is available for the playing of a game simulating a game played with cards.

(2) Each mechanical or electronic video game machine simulating a game played with cards is subject to an annual license fee of \$800, one-half of which is deposited in the general fund and one-half of which is forwarded, 30 days after collection, to the treasurer of the county or the clerk, finance officer, or treasurer of the incorporated city or town in which the licensed machine is located for deposit to the county or municipal general fund. Under this act, counties will not receive proceeds from fees on licensed machines located in incorporated cities and towns. The license expires on June 30 of each year, and the fee is prorated.

(3) The department of revenue shall adopt rules necessary to implement this section and to provide for the design, manufacture, distribution, and accounting of validating devices to be attached to games licensed under subsection (1).

NEW SECTION. Section 5. Codification instruction. Section 4 is intended to be codified as an integral part of Title 23, chapter 5, part 3, and the provisions of Title 23, chapter 5, part 3, apply to section 4.

NEW SECTION. Section 6. Effective date. (1) This section and subsection (3) of section 4 are effective on passage and approval for the purpose of adoption of rules that are applicable on July 1, 1985.

(2) The remainder of this act is effective July 1, 1985.""

HB236

28 counties : 11 paying
11 not paying

56 COUNTIES
IN STATE

L. B. 2
BUSINESS &
INDUSTRY
March 12,

COUNTY/City

MISCELLANEOUS INFORMATION

Cal. Yr: 1982 1983 1984
or F.Y. : 82-83 83-84 84-85

BROADWATER	Some prorated	507	2,346	
Townsend		4,000	2,700	
* BUTTE/SILVER BOW & CARBON (See Page 4)				
CASCADE	59 poker machines		35,800	
Great Falls	144 poker machines @ \$700		100,800	
	114 Keno @ \$250			28,500
Belt	9 poker machines @ \$250		2,250	
CHOUTEAU	No license fees			
Fort Benton	7 poker machines		3,650	
CUSTER			4,205	950
Miles City			16,060	3,072
DEER LODGE/ANACONDA	\$500/machine	21,500	29,000	23,000
GALLATIN	49 poker		15,450	
	20 Keno			10,445
Bozeman	37 Poker		18,500	
	11 Keno		5,500	
	36 Keno			18,000

83-84- \$667,931.00
84-85 452,419.00
215,512.00

COUNTY/CityMISCL. INFORMATION

Cal.Yr: 1982 1983 1984
or F.Y. : 82-83 83-84 84-85

Belgrade	14 @ \$300		4,200	
	11 @ \$300			3,300
Manhattan			5,900	1,500
Three Forks		400	1,500	
FERGUS	County + other incorp. towns		(Est) 5,000	(Est) 5,000
Lewistown	33 @ \$300		9,900	9,900
GLACIER	No license fee			
Cut Bank	28 poker, 1 Keno		no fee	
	28 Keno & mixed			no fee
HILL	No license fee			
Havre	(Est. c/y 1985 = \$12,000)		16,581	20,250
JEFFERSON			3,688	2,900
LAKE	Never had poker machines			
	24 Keno @ \$50		1,200	1,200
Polson	15 Keno		no fee	no fee
Ronan	10 Keno		no fee	no fee
St. Ignatius	2 Keno (offered \$300/machine to city commrs. but they did not accept.)		no fee	no fee
LEWIS & CLARK	47 machines		23,500	
	36 machines			18,000
Helena	136 machines		68,000	
	92 machines			6,000

LIBERTY	12 poker, 6 Keno 12 Keno	no fee	no fee
MISSOULA	June '83 to present (Keno) (Poker tables = \$6,562.50)	34,511	
Missoula		56,175	55,050
PARK	(Including Livingston)	50,000	32,000
PHILLIPS	No fee; est. 22 machines	no fee	no fee
Malta		6,000	2,400
PONDERA	10 poker, 2 Keno (Jan-July '84) Keno, 84-85	1,330	1,500
Conrad	7 Keno		3,800
RAVALLI (See Page 4)			
ROOSEVELT	No fee	no fee	no fee
Wolf Point		4,875	
ROSEBUD	25 machines (\$500 ea. if legalized)	no fee	no fee
Forsyth	20 machines (\$500 ea. if legalized)	no fee	no fee
SHERIDAN	No fee in county or incorp. towns	no fee	no fee
TETON		no fee	no fee
Fairfield	Four \$500 gaming licenses + 1 Keno	3,225	2,125
Choteau		3,600	

COUNTY/CITY

MISCL. INFORMATION

Cal Yr: 1982	1983	1984
or F.Y. : 82-83	83-84	84-85

TOOLE	36 Keno machines	no fee	no fee
TREASURE (Hysam)	4 Keno	no fee	no fee
VALLEY		no fee	
Glasgow	Poker 17 Keno	6,935	3,102
YELLOWSTONE	\$750 + \$200 for each addl. machine; 20 @ \$750 (as of 12/84) 28 @ \$200 " "		15,000 5,600
Billings	52 machines (fee \$750; some prorated)		21,750

ADDENDUM

BUTTE/SILVER BOW	\$500 for 1st machine; \$400-2nd; \$300-3rd; \$500-4 or more, or \$2500 for all game license	121,900	120,000
CARBON		No fees	No fees
Red Lodge	All poker (machines & tables)	2,300	1,725
RAVALLI	No breakdown on cost/machine or number.	1,350	1,350

✓

Jan 16, 1985

The City of Wolf Point put a gaming License on our Poker Machines in July 1983 to 1984 for \$250.00 per Machine.

We were told by the State to find ways to raise our own money and this was a very good way.

We also specified that the money be spent on our youth. This made both the bar owners and parents happy.

In 1983-1984 year the City of Wolf Point received \$4875.00 from Poker Machines.

Wolf Point is the only town in Roosevelt County that has the License for the Machines. The County does not have any License.

Norman Shumway
City Council
Wolf Point Montana

January 31, 1985

House Business and Labor Committee
Bob Pavlovich, Chairman
Capitol Station
Helena, MT 59604

Dear Mr. Pavlovich:

In reference to HB236 that is scheduled for hearing February 6, 1985, as a City of Malta Alterman I would recommend and support for passage that Electronic Devices (Poker Machines) be approved.

Effective February 1, 1985, the City of Malta has licensed Keno Machines with one-third of the revenue being collected of what the Poker Machines generated. The last year the Poker Machines brought into the City of Malta was approximately \$6,000.00 and the Keno Machines will bring in approximately \$2,400.00.

I personally researched the revenue brought in by the Keno vs Poker Machines at a location that is consistant in trade patterns. I also checked with other locations from reputable individuals and my findings were consistant throughout. The Keno Machine brings in approx. 1/3 vs Poker.

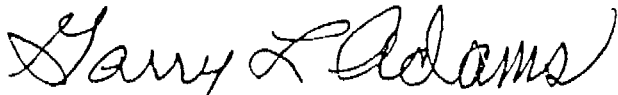
I have never found any abuse what-so-ever occuring in any establishment having Poker Machines. I strongly feel the economic value to the bar owner is paramount as most bars in any community are the first to support any worth while community endeavor.

At the present time, the laws are not consistant with the original intent. Many counties around Phillips County are allowing electronic devices similar to the Poker Machine to be legal (Or allowing). I am confident the majority of the inhabitants of the State of Montana would want the Poker Machines allowed without the present confusion.

In the City of Malta, there is no problem with the control by the Licensing Ordinance. This gives local authority control with a revenue amount kept at the local level.

I would like to thank-you for your consideration.

Sincerely yours,



Garry L. Adams, Alterman
City of Malta
Drawer 490
Malta, MT 59538
(406) 654-1132

GLA

H.B. 236 is the better way to go with poker machines

Of the two bills now before the legislature that would legalize poker machines, House Bill 236 is the better way to go.

This bill would simply make poker machines legal, subject to authorization by officials in each county. If a county or city doesn't want poker machines, it can keep them out.

This contrasts to Senate Bill 391, which has several bad features. The big hangup over that bill is that it will give a virtual monopoly to Zollie Kellman of Great Falls, the only resident poker machine assembler and distributor in the state. The bill also would link all poker machines to the state Revenue Department by computer for daily monitoring of money paid in and paid out.

It's pretty obvious by now that tavern owners have a big stake in electronic gambling. They are lobbying hard for legal poker machines and no daily monitoring of the take. They would strongly prefer paying a flat license fee to local government units.

That's because poker machines bring in a lot of money. Although it's true that the money must be split up — a percentage goes back to players in the form of winnings and a percentage goes to the machine owners — there was no doubt that poker machines were highly profitable before being declared illegal last year by the Montana Supreme Court.

Bar owners also have a big stake because liquor sales are declining and the price of booze, wages and other overhead costs is continually going up.

That leaves gambling as the prime avenue for making up the difference.

Although this newspaper has no quarrel with well-regulated electronic gambling, it must repeat what it said a few days after the Legislature convened in January: If the public is to put up with expanded gambling — and the social and law enforcement costs of expanded gambling — then the gaming industry must provide the public treasury with a tax return that will pay those costs.

As it currently stands, H.B. 236 would leave it up to city and county governments to set flat taxes for poker machines. In Great Falls the annual fee was \$700 per machine until they were outlawed by the Supreme Court decision.

We think that amount is far too low. It should be doubled or perhaps even tripled.

City and county commissions will encounter pressure from the tavern industry to keep the fees low. But they should resist that type of lobbying and set fees that are high enough to meet the social costs of expanded gambling. And make no mistake about it: there are some in the gaming industry who will seek a virtual free ride from taxing authorities if they think they can get away with it.

H.B. 236 will be the subject of a Senate hearing March 12. We recommend its approval. We recommend that S.B. 391 be killed because of its several flaws.

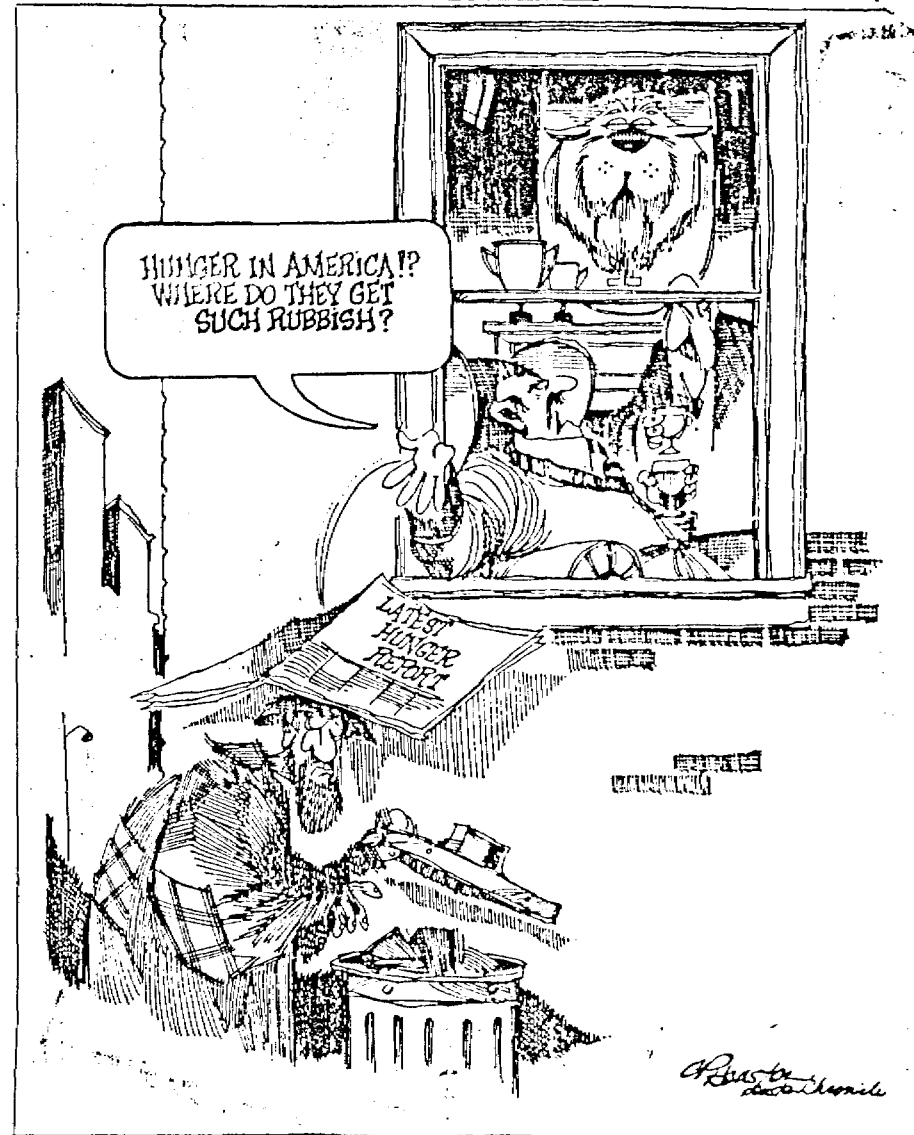


EXHIBIT 3
BUSINESS & INDUSTRY
March 12, 1985

Keep electronic poker bill simple

It comes as no surprise that one bill has been introduced to legalize electronic poker and another is being drafted.

Electronic poker became a local option when Attorney General Mike Greely refused to rule on its legality. Draw 80 electronic poker proved to be quite popular in jurisdictions where it was allowed until the state Supreme Court ruled Draw 80 illegal.

Rep. Bob Pavlovich, D-Butte, has introduced a bill to legalize electronic poker. It's short and simple: It defines electronic poker as legal. That's it.

Rep. Paul Boylan, D-Bozeman, has asked legislative language technicians to draw up a more complicated measure. It would set a list of state license fees for manufacturers, distributors and owners of the machines and put the Department of Revenue in charge of divvying up the take, some of which would go to the state and local governments.

According to Boylan, a survey said 70 percent of the people wanted electronic poker. Perhaps. But we doubt that if given the option of who should control the machines, we doubt that 70 percent would want to add to the bureaucracy in the Department of Revenue.

License fees from poker machines were a nice source of revenue for cities and counties (Butte reportedly was collecting about \$200,000 a year). Local governments already have fees and a licensing procedure in place. We don't think it's necessary for the state to get its hands on a piece of this pie.

Perhaps the Legislature should limit the number of poker machines for each establishment to prevent casino-type operations. And maybe it should set a maximum license fee that local governments could impose to prevent them from taxing a legal enterprise out of business.

We support legalizing electronic poker, but if we are going to have the machines, local governments should be the ones to reap the benefits of licensing revenue.

AN IR VIEW

OPINIONS & IMP

TOM
WICKER



Will Reagan search for

N.Y. Times News Service

NEW YORK — President Reagan is entering his second term with high hopes and powerful political support. But the huge margin by which he was re-elected emphasizes that much also is expected of him — particularly that he should lead the way, if possible, toward a prudent easing of Soviet-American tensions.

That is what, by most measures of public opinion, the American people want, and what Reagan has been saying, since early 1984, that he wants, too. That is why he met with Foreign Minister Gromyko last fall, and sent Secretary Shultz to meet Gromyko in Geneva. That is why the agreement they worked out to resume arms control talks was greeted with enthusiasm.

To most Americans, an easing of tensions is likely to mean arms control — better still, in the president's preferred phrase, arms reduction. And just as the

day's most prominent anti-Soviet hawk could be the right man to lead suspicious Americans into far-reaching compromise between the nuclear superpowers.

In 1972, Nixon demonstrably knew how to pursue his mighty goals. The question about Reagan — with all due respect to his sincerity — is whether he knows how to move from the resumption of negotiations to a negotiated agreement. He has properly warned that this will be a long, hard task — but seemed to refer more to the proven difficulties of dealing with the Russians than to the necessity for a forthcoming American approach.

There are at least three reasons to question Reagan's ability to reach an arms control agreement. One is the record of his conduct of both the strategic arms (START) talks and the intermediate-range missile (INF) negotiations.

In START, Moscow was asked to make deep cuts in its heavy, land-based missiles,

were asked to dismantle all (later some of) their SS-20 missiles aimed at Europe, in return for U.S. agreement to cancel future deployment in Europe of some of the Pershing 2 and cruise missiles agreed upon by the NATO allies.

In both cases, Moscow was expected to reduce its deployed hardware — in START more drastically than the United States proposed to cut in return; and in INF for American agreement not to go ahead with future deployments. The Russians ultimately walked out of both negotiations; they are likely to do so again if Reagan insists that Moscow cut back its forces out of proportion to what the United States is willing to do.

Nor is agreement likely if Reagan continues his military buildup unabated. It exempts the Pentagon budget from spending cuts by which he hopes to cope with the federal deficit, and resists elimination of any of the major weapons systems now being developed — the MX

N. J. Dougherty & Associates

EXHIBIT 4
BUSINESS & INDUSTRY
March 12, 1985

GREAT FALLS, MONTANA 59403

Public Accountants • Auditors • Tax Consultants

BOX 2085 • 2305 1/2 — 10th AVE. SO.

PHONE (408) 761-8200

Concerned Citizens and Legislators:

Re: COIN OPERATED GAME MACHINES
SPECIFICALLY SB 391 and HB 236

Attached is an analysis of Game Machine Incomes for 13 operations that have been clients of our firm of several years.

While it is known that they would be considered average, based on their volume it would seem that they would fall into a reasonable average of the licensed premises in the State.

Our firm has been provided with a projected income under SB 391 showing a Net Revenue to State of \$2,601, 200 for 1985 and \$8,482, 800 for 1986 along with a projected income to city/county of 3,340, 350 for 1985 and 13,361, 400 for 1986. It would seem from the attached analysis that these figures are approximately 1000% OVERSTATED!!

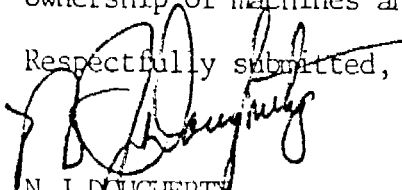
Based on past years records of income, it could be assumed that "Draw Poker" Machines have more appeal to the public and would generate a better income, but even doubling the actual incomes attached, it would still not be even, be in the "Ball Park" area of the income as projected under the proposed SB 391.

There are further flaws to SB 391. Because of the costs of telephone lines and computer service, there are licensed premises in our relatively rural state that would not be able to participate because of cost.

It would seem that enough of a target has been made of the so-called "Sin Business". With the present trend reduction of drinking and the proposed raise of the drinking age and the proposed increase of liquor and cigarette tax, there is going to be a steady decline of gross income for all businesses involved in the liquor industry. This would result in decrease tax income under the proposed SB 391 but would not affect the tax income under HB 236.

Besides the income to State, counties and cities, it would seem that the adoption of SB 391 would create a monopoly type situation that would prevent individual ownership of machines and exclude small independent operators.

Respectfully submitted,


N J DOUGHERTY
NJD/kd

11 March 1985

ANNUAL ANALYSIS OF COIN OPERATED-GAME MACHINES

				PROJECTED REVENUE-AFTER PROPOSED AMENDMENT			
				SB 391	HB 236		
	GROSS INCOME	# MCHNE MAC GROSS INCOME	AFTER PO MCHNE	STATE	CITY-CO	STATE	COUNTY
Cascade Co:							
A	\$ 190,000	5 \$ 48,000	\$ 9,600	\$ 480	\$ 1,440	\$ 2,000	\$ 2,000
B	160,000	6 42,000	8,400	420	1,260	2,400	2,400
C	175,000	4 44,400	8,880	444	1,332	1,600	1,600
D	110,000	4 51,000	10,200	510	1,530	1,600	1,600
E	220,000	6 48,000	9,600	480	1,440	2,400	2,400
F	72,000	3 39,000	7,800	390	1,170	1,200	1,200
Hill Co:							
A	\$ 48,000	1 \$ 9,600	\$ 1,920	\$ 96	\$ 288	\$ 400	\$ 400
B	75,000	1 18,000	3,600	180	540	400	400
Liberty Co:	57,600	2 14,400	2,880	144	432	800	800
Roosevelt Co:	101,000	2 29,000	5,800	290	870	800	800
Toole Co:	89,000	1 29,600	5,920	296	888	400	400
Judith Basin Co:	57,000	1 12,800	2,560	128	384	400	400
Lewis & Clark Co	79,000	1 10,600	2,120	106	318	400	400
<u>TOTAL</u>	<u>\$1,433,600</u>	<u>37 396,400</u>	<u>\$79,280</u>	<u>\$3,964</u>	<u>\$11,892</u>	<u>\$14,800</u>	<u>\$14,800</u>
<u>AVERAGE</u>	<u>\$ 110,278</u>	<u>1 10,714</u>	<u>\$ 2,143</u>	<u>\$ 305</u>	<u>915</u>	<u>400</u>	<u>400</u>

**GREAT
FALLS AREA
CHAMBER OF COMMERCE**

P.O. BOX 2127
926 CENTRAL AVENUE
GREAT FALLS, MONTANA 59403
(406) 761-4434

February 5, 1985

To: House Business and Labor Committee

From: Roger W. Young
President - Great Falls Area Chamber of Commerce

Subject: ***DRAW 80 POKER HB 236 (PAVLOVICH)***

The Great Falls Area Chamber of Commerce supports the passage of HB 236 to legalize the playing of Draw 80 Poker in Montana.

In a recent membership survey, 66% of the respondents said they favored passage of legislation to legalize Draw 80. Only 28% were opposed. We believe this support is so widespread because the game had become well accepted before it was abruptly removed from the establishments which were providing this form of entertainment. It was a very popular game for local residents and tourists alike. To our knowledge, there was no evidence that the game had produced any negative social consequences.

Indeed, Draw 80 Poker licensing constituted substantial revenue to local government. Local government is now deprived of this revenue at a time when any revenue shortfalls are difficult to absorb. We believe legalizing this form of entertainment is the best way to control and regulate its play. It is an important tool for enterprises who use it to improve the profitability of businesses which are already facing very difficult economic times.

We urge passage of HB 236. It's good for business. It's good for tourism. It's what the people want.

cc: Cascade County Legislative Delegation

January 31, 1985

House Business and Labor Committee
Bob Pavlovich, Chairman
Capitol Station
Helena, MT 59604

Dear Mr. Pavlovich:

In reference to HB236 that is scheduled for hearing February 6, 1985, as a City of Malta Alterman I would recommend and support for passage that Electronic Devices (Poker Machines) be approved.

Effective February 1, 1985, the City of Malta has licensed Keno Machines with one-third of the revenue being collected of what the Poker Machines generated. The last year the Poker Machines brought into the City of Malta was approximately \$6,000.00 and the Keno Machines will bring in approximately \$2,400.00.

I personally researched the revenue brought in by the Keno vs Poker Machines at a location that is consistent in trade patterns. I also checked with other locations from reputable individuals and my findings were consistent throughout. The Keno Machine brings in approx. 1/3 vs Poker.

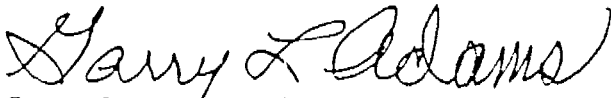
I have never found any abuse what-so-ever occurring in any establishment having Poker Machines. I strongly feel the economic value to the bar owner is paramount as most bars in any community are the first to support any worthwhile community endeavor.

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In the City of Malta, there is no problem with the control by the Licensing Ordinance. This gives local authority control with a revenue amount kept at the local level.

I would like to thank-you for your consideration.

Sincerely yours,



Garry L. Adams, Alterman
City of Malta
Drawer 490
Malta, MT 59538
(406) 654-1132

GLA

January 31, 1985

House Business & Labor Committee
Bob Pavlovich, Chairman
State Capitol Building
Helena, MT 59601

Dear Chairman & Committee Members:

As a tavern owner and businessman, I am in support of HB 236. Some of my reasons are explained in the following paragraphs.

In the Phillips County area, more specifically Malta, we rely on farming and ranching for a lot of our business. The last 3 years have been very dry leaving our farmers and ranchers really hurting for income. Because of this, our business is down. Also, with tougher DUI laws and more public awareness of drinking, our business is down. In all, our business for 1984 was down 25%. In previous years we have employed as many as 11 people at a given time and have had to decrease this number to 7 and 8. We feel that if we had the machines in question here, we would have to employ at least one more person.

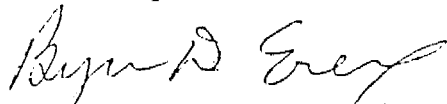
As we are only 40 miles from Canada, we get quite a few Canadian people who like to have something to do when they come to Malta. It is surprising the number of them that stop on their way to Nevada.

I realize that HB 236 will not solve all my problems, but it can't hurt. As a taxpayer, the revenue my city receives helps also.

As a tavern owner, businessman, taxpayer, and individual, I urge you to pass HB 236.

Thank you for your time.

Sincerely,



Byron D. Ereaux, Partner
Roger's Saloon
Malta, MT 59538

County of Carbon



Red Lodge, Montana

59068

February 5, 1985

Honorable Gary Spaeth
House of Representatives
Helena, Montana 59620

Dear Gary;

The County Commissioners of Carbon County would like to see the return of poker machines. The loss of revenue to the county as well as to business in general has hurt the economy in the area. Carbon County would like to see the return of the poker machines for this reason. This letter is endorsed by the County Commissioners of Carbon County.

Respectfully yours,

Richard Steffan

Richard Steffan, Chairman

Frank Cole, Jr.

Frank Cole, Jr.

Bob Rowland

Bob Rowland

Red Lodge, Montana

February 5, 1985

Honorable Gary Spaeth
House of Representatives
Helena, Montana

Dear Gary,

The town of Red Lodge in Carbon County would like to see the return of poker machines. The loss of revenue to the city as well as to business in general has hurt the economy in the area. The town of Red Lodge would like to see the return of the poker machines for this reason.

This letter is endorsed by the City Council, the Chief of Police as well as myself.

Respectfully yours,

Ronald A. Kotar
Ron Kotar

Mayor, Red Lodge, Mt.

G. R. Owen
Chief of Police

✓

Jan 16, 1985

The City of Wolf Point put a gaming License on our Poker Machines in July 1983 to 1984 for \$250.00 per Machine.

We were told by the State to find ways to raise our own money and this was a very good way.

We also specified that the money be spent on our youth. This made both the Bar Owners and parents happy.

In 1983-1984 year the City of Wolf Point received \$4875.00 from Poker Machines.

Wolf Point is the only town in Rosebud County that has the License the Machines. The County does not have any License.

Norman Shumway
City Council
Wolf Point Montana

Donald J. Wong
Wong's Silver Spur
2000 N. Montana Ave.
Helena, MT 59601
February 4, 1985

Rep. Jan Brown
House of Representatives
Capitol Station
Helena, MT 59620

Rep. Brown:

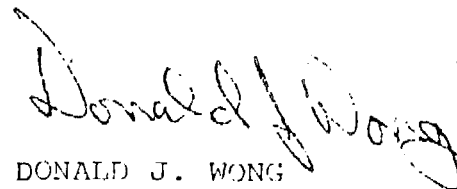
We would like your support on HB 236.

I represent Tri-County Licensed Beverage. I myself have been in the tavern industry for fifteen years and would appreciate your support on this issue.

HB 236 allows all license fees to remain at the local level where revenue is badly needed. It merely corrects the fault the Supreme Court found with present law when they declared poker machines illegal. All of the controls that were there before are still in the law. HB 236 amends only the definition section so the rest of the present law remains unchanged.

Would you please contact me at 458-5500 as to your decision on this matter.

Thank you,


DONALD J. WONG



Rodgers Oil Company

P. O. BOX 1169 • GLASGOW, MONTANA 59230 • (406) 228-4231

January 30, 1985 /

Re: House Bill #236

Business & Labor Committee
Capitol Building
Room 312 - 2
Helena, Montana 59620

Gentlemen:

I understand, that in the near future, you will be holding hearings on House Bill # 236, regarding the Electric Poker Machines.

According to the City of Glasgow, most of the money from the licensing of these machines, is used by the Local Police Department for Enforcement and all types of Law Enforcement in Valley County.

As you are all aware, the current economy makes it necessary to utilize the monies that we can raise from any licenses or sale of permits, at the local level. Otherwise, the set costs go right back to the property tax payers and can not be afforded.

For these reasons and others, I will support: House Bill 236 for Electric Poker Machines.

Respectfully Submitted:

Thomas E. Rodgers
Rodgers Oil Company
Glasgow, Montana 59230

CHAMBER OF COMMERCE & AGRICULTURE, INC.
AREA

BOX 832 GLASGOW, MONTANA 59230

TELEPHONE (406) 228-2222

January 31, 1985

Chairman Pavlovich and Members of
House Business and Labor Committee

Enclosed please find copies of letters, petitions, and statements of support for HB 236. While gathering this testimony, as you can see, I found support from many different segments of our populace.

These documents are being forwarded because the travel time, distance and expense simply is not practical for so many to give testimony in person.

I, along with two other young women, own and operate Sam's Supper Club and Lounge here in Glasgow. We have been in business six years and still find ourselves cooking, washing dishes and tending bar just to make ends meet. The added revenue produced by poker machines would certainly be put to good use in our business, by helping to pay some of the always increasing costs of doing business. As I'm sure you know, the economy of our area is not good, and we find ourselves grasping at straws just to stay in business. All revenue produced by these machines simply does not accrue to the owners or operators. In Valley County, the last year they were being used, approximately \$7,000.00 of License Fee money went towards improved law enforcement for our area.

I take this opportunity to impress upon you how important the passage of this legislation is to us, and respectfully ask that you vote in favor of HB 236.

Sincerely,

Becky Erickson

Becky Erickson
Immediate Past President

Sam's Supper Club

307 1ST AVENUE NORTH
GLASGOW, MONTANA 59230

January 31, 1985

Members of Business and Labor Committee,

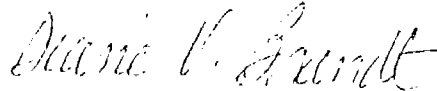
I support HB 236 legalizing electronic or mechanical video game machines.

I support passage of this bill for the following reasons:

1. the revenue from licensing these machines goes to the city and county tax base. In Glasgow, much of this revenue goes to subsidize the city law enforcement.
2. the machines create jobs for vendors, thus creating new small businesses.
3. living in an agricultural community that is economically depressed, our small businesses are barely surviving, any type of additional revenue is important for survival.
4. taverns and restaurants are important small businesses to any community. I am part owner of Sam's Supper Club. Our business provides twenty jobs in Glasgow. Three-fourths of these people are single, divorced, or widowed women supporting their families. Our restaurant alone in 1985 spent over \$2,000.00 supporting tournaments, rodeos, little league baseball, senior citizens and numerous other community activities.

After serving for one year on the Governor's Council of Economic Development, I believe the State of Montana wants to help create and maintain small businesses. Supporting HB 236 is a step towards attaining this goal:

Respectfully yours,



Diane Brandt



AND CONVENTION CENTER

P.O. Box 1240 - Highway 2 East - Glasgow, Montana 59230 - Telephone 406/228-8213

January 31, 1985

Montana State Representatives
Business and Labor Committee
Helena, Mt., 59624

Ladies and Gentlemen:

I would urge each of you to vote "YES" for the passage out of committee to the floor of H.B. 236.

I have been an Innkeeper in the great State of Montana for many years, and have seen many changes in the business climate of our industry. We are presently facing the toughest times in our industry that we have ever faced economically. There are many small tavern operators that are facing bankruptcy because of the drought in Eastern Montana, the almost complete shutdown of the oil industry, high utility bills and countless other problems and crises.

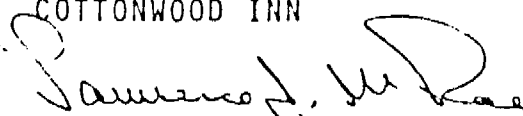
One of the great salvations in years past were the electronic gaming machines that were allowed for a period of about two years. The proceeds from the machines helped these operators of small business keep their doors open.

Many people say that we were taking money from families that needed that money to feed, house and cloth themselves. I believe that these people were and are wrong! The typical player of these devices played a few dollars for amusement and because they did not wish to get involved in a real card game. The devices were restricted to adults and contrary to some horror stories, minors were not allowed to play the machines. I have never heard of any machine being fixed to not pay out any winnings.

We in the innkeeping business are for the most part responsible taxpaying citizens who support our communities and state by donations, employment, and involvement in community affairs. In order to survive we need as many sources of revenue as possible! Please, vote yes.

Sincerely,

COTTONWOOD INN


Lawrence J. McRae

General Manager - For Reservations in Montana Call Toll Free 1-800-521-6222

To Members of Business & Labor Committee

I support H. B. 236

I have owned and bartended for seven years and feel gambling should be legalized. The economy of Glasgow has gone downhill for the past few years. We need the money from the machines to stay in business

Aime Konekush
Gateway Inn
Box 266
Act Peak, MT

55223

To whom it may concern:

I support H.B. 236 - due to drought and slow economy - We need extra income to help the Liv Business -

Ruth A. Panocho.
Jac. Mt - 5926,

To Members of Business & Labor

I support HB 236

Economy the way it is we could
use this support to keep
Business open. Please support
us.

E.P. Olings
B.F. & P. #122
C/AS904MT59230

To: Members of Business & Labor —

U support HB 236 —

U oppose the computerized
paper Machine Bill. Please
support us.

Pamela D. Kelly
Owner

Alley's Bar
331 1ST Ave So.
Glasgow, MS.

59230

I support HB236. The bars and
supper clubs in this area are
barely getting by. Taverns are
important small businesses in
Northeastern Mont. They contribute
to community programs along
with other small businesses.
Please support the poker & keno
machine bill. This bill will
make a difference in our
town. The added revenue to
our city and local ~~government~~
tax base is needed to
lower the property taxes.

Carl P. P.

Box 197
Methuen

To members of business and Labor

I oppose computerized poker machine bill. I support

HB 236. I ~~am~~ have owned the Montana Bar for 3 years and I need the money from these machines to pay bills.

We feel its time you support us:

Paul & Darlene Moscon
Montana Bar
Glasgow, Mont.

Use support, Legalizing Electronic
poker: Keno Machines. HB-236

Name:

Occupation:

Duane Burnford

Laborer

Wanda Burnford

housewife

Carl Woodall

Saco Mt 59261

Frank Woodall

Chet Jones Mt 59261

Ray Knudsen

Rancher Saco Mt 1 - }

Jim Chipman

Rancher

Leroy Costin

Rancher Saco Mt.

Jack Jacobson

Laborer

Vern Wake

Laborer

Charlie Miller

laborer

Dan Homan

mechanic

Myrl Bennett

Support Club

Lance Beto

Burn

Mike Hemlerse

Burn Tender

Art Carney

Shoemaker

Archie Simpson

Ranch Hand

Mexianing Costin

housewife

Joan Jacobson

Secretary

Wade James

Welder

Leola Hens

Wife Leader

For Members of Business & Labor Comm

I support HB 236. I live in a small farming community, we support many community projects, including the high school, little league, ~~league~~ ^{and} rodeos etc. We are an important small business in this drought stricken area. The poker & keno machines are added income to our business, this money goes to pay our utilities & bank loans. I would appreciate your needed support on this bill.

Edna O'Brien
Box 116
Law, Mt
O'Brien

We support House Bill 236.

Name:

Occupation:

Cindy Bianco

Lawyer

City Classic

Bar Tender

Mary Grobel Wesen

Nurse

Karen Flint

Waitress

Sharon Scott

Water Clerk

Robbie Ziegler

Nurse

Hanna Dennis

NR-E/MT-H

~~Wanda Scott~~

Jenni Hicks

Nurses Aide

Al Long

Bar Tender

Dean Dugg

BN Railroad

Rick Ost

Sales Rep

Jeff Hayward

Self Employed

Raymond Paulson

Bar

Raymond

For MEMBERS OF BUSINESS & LABOR COMMITTEE:

I SUPPORT HOUSE BILL #236. SALES IN MY RESTAURANT AND SALOON ARE DOWN SHARPLY AND I NEED INCOME FROM THE ELECTRONIC MACHINES TO OFFSET UTILITIES, ETC.

Chuck Loge, Owner
CHUCK'S PIZZA & SUCH
GLASSBORO, MT

To whom it may concern -

I am in support of H.B. #236. All bars need this extra income at this time to help with our rising electric & phone bills.

Shirley Carter
Rainbow Room Bar
Kincaidale, Mont. *

59241

1-29-85

Members of Business & Labor Committee

I support AB 236 to legalize poker and keno machines. The Tavern industry in Valley County makes significant contributions to our community.

EW Crawford

Abstractor

Glasgow, Mt.

Use support H.B. 236.

(To legalize Electronic Poker & Keno Machines)
NAME: OCCUPATION:

Lloyd Hopstad
Klaus Kerschbach
John Hoyt
Doris Kacade

Wayne Jacob
George Alexand
Smith Frost
B. E. Jones

M. A. Jurett
Marvin S. Oraton
Grace Fassett

James J. Joy
Clausen Frost
Dale E. Spitzer
Clara Kermis

Gilda Bianco
Kathy Lussier
Joy O. B. Jones

Gayle Barnett
Laurel Clark
Gene W. Schickler
Ray Zeman

BRKMN. Burlington Northern
Bartender
Bartender
Housewife

Farm & Ranch
RETIRED
Bar owner
Loco Engn. BN inc
B.N.

retired
Valley View Home
ELECTRICIAN
Bar owner
Contract Specialist
Ret. Military
Housewife

Bartender
AUDITOR
Bartender
Housewife
Electronics Tech.
Bar Owner

To Whom it May Concern:

I support HB 236 —

I am a bar owner in Hinsdale
& supporter of the community.

We need your support — I need
this extra revenue to pay
the bills.

— Signed —
Sam Fitchum
Northern Bar
Hinsdale Mont.

Use support House Bill - 236.

NAME:

OCCUPATION:

Joe Minnerath	carpenter
Carl Palm	labber
Carl Palm	Rancher
Web Taylor	Rancher - Farmer
Buck Taylor	" "
Bob Minnerath	Carpenter
Geddy O'Brien	Gas Canner
Betty Erickson	Supper Club Home
Rich G. Danoko -	Liquor Store #3
Chuck Kelly	Rancher R.M.
Charles E. Egan	M. Att., et.
Daniel E. Egan	O'Brien Cakes & More
Magge Keenan	bartender
Scott Keenan	Rancher
Harold G. Norrity	Owner Bottom Warehouse
Wayne R. R. R.	Harold G. Norrity M.D.U.
Jack Barnard	M.D.U.
Ruby Kittleson	Man
Clark Kittleson	Preacher
Ed. Butts	Engineer

In support Parlovichs HB-236.

NAME:

Jack Sauer
Donald B. Hughes
Lloyd Fullerton
Charles W. Adams
Lloyd A. Shipman
Russell Williams
Stanley Hogg
Frank Black
Brenda Rangel

OCCUPATION:

BAR TENDER
Mechanical Engineer
Distributor - oil Rigs
FARMER
Retired
Public Work
Teacher
Laborer
Student

Lloyd A. Shipman
Donald B. Hughes
Lloyd Fullerton
Charles W. Adams
Lloyd A. Shipman
Stanley Hogg
Frank Black
Brenda Rangel

Operator - Engine
Salesman
Lawyer

Que support Parlorich HB-236 —

NAME:

OCCUPATION:

Frances Black
 Sheryl Barnett
 Glen E. Lohm
 Thoma & Wren
 Alan Lundson
 Earl Roness
 Henry Sawbaker
 Ray Schlein
 Sheila Rosencrans
 Dennis Fagnaton
 M. Bayan
 Elton M. Christensen
 McLeid
 Colleen Charlenson
 John Glowa
 Paul Aum
 Helen Hennick
 Carole Phillips
 Mrs. [unclear]
 Frank Hartree
 Wendy Stuart
 Don Elliston
 Monty Wadley
 Judy Elliston
 [unclear]

~~Sheryl Barnett~~ Bartender
 Bartender
 Railroader
 Bartender
 Wolf Creek Mt. Salmon
 Retired
 Stevedore
 V/P
 Bartender
 Const. Worker
 RANCH HAND
 Const. Worker
 Barber
 waitress
 Carpenter
 Bricklayer
 Housewife
 Accountant
~~LABORER~~
 Railroader
 dishwasher
 self employed
 Service station att.
 Franchisat Owner
 [unclear]

DRAW 80 - MACHINES

You support Bob Parlorichs' HB-236

NAME:

OCCUPATION:

E. F. Clinger

Club Manager

Edna F. Myers

Unemployed

Lore Fehrmann

Retired

Mike Mear

Retired
Teacher

Ronald H. Lore

Publisher

Donald B. Holland

Larry Laarquist

Marvin Eddy

Perry E. Koski

Salesman

Norbert M. Apne

Manager

John H. Jones

Teacher

We Support HB 236

Red Oberg
Beverly Starbais
Daren DeBray
Larisa Monson
Rogun Smith
Joe Ginters
Grucci Bellanger
Fran Black
Jill Palmer
Dolan Wang
Robert Sanders
Paul Kelly
Dany Smith
Lizzie Bayley
Kelly Motherhead
Loretta Myhr
Al Doffinger
Bill Mochman
Bernie Mouton
Wendy Makoff
Kathy Smith
Pat David
Cathy Schuman
P. Heston

And B.N.
waitress
Labour (City of Chicago)
home maker
carpenter
owner - farmer - son
diplocher
Waitress
Handicrafts / Homekeeper
Retired Teacher
Farmer
House Keeper
Operator
Beautician
Stockyard
Bartender
Turner
Westland Oil Owner
Bill's One Stop
self-employed
Water Rights Club
accountant
Bricklayer
R.R.

the support Parloricks HB 236 —

NAME:

Occupation:

Tony Dull
 Lynn Chapman
 Dick Smith
 Paul Monson
 Eldon Courtney
 Ray Hogan
 Egt Eads
 George Ryan
 Rex Miles
 Jack Billman
 Richard H. Lantieri
 Vern Valt
 D.D. Brunckhorst
 Jack H. Ketchel
 Duster Eugene
 Anna Bee
 Isabelle Sundby
 V.P.
 Ray Twyman
 Howard H. Hays
 Brian Thompson
 Elmer
 Brono Riddle

Farmers - Rancher
 " "
 " "
 Truck Driver
 Tech Foreman
 Drilling Supt.
 Retired
 RETIRED —
 Carpenter
 Rail
 Teacher
 worker
 R.R. Brakeman
 B.N. Eng
 B.W. Eng
 retired
 Senior Citizen
 Larry Schlie
 Retired
 retired
 F.I.M.P.
 Rancher
 Max Hledge
 John Soper

Yucca support Parloriers' HB 236

NAME:

Occupation:

Shirley Smider

WELDER

Joe Miller Jr

STUDENT

Joe Schild Jr

Roughneck Lier

Light Spotted Wren

Alvin O'Brien

~~SP~~ TRK. DR. 100

Pamela D. Kelly

Alley's Bar

Milton A. Lien

Retiree

Myrna Newton

Glasgow

Rocky D. Kochendorfer

Roughneck

Karl Reagon

Oil inspector

Steve Tullerton

Driller - Oil Rigs

Smith Northrup

Railroad

Peggy Loper

Secretary

Mark Loper

Farmer

Don Loper

Farmer

Brenda Hopkins

Student

Dale Soule

Laborer

John Kruger

Retired

Harb Tullerton

unemployed

Carol Gascher

Painter

Gene Gascher

unemployed

Allan C Lawson

Retired

Troy Root

grocery clerk

Larry H. H.

Restaur

Com. Members of Business and Labor,

We have been in business in
Glasgow for about 7½ years. We
are very much in favor of

H.B. 236 as it is very tough
to try and pay all the bills the
way the economy has been going.

I feel this bill would not
only benefit the businesses but
also the State and local
governments as well.

Sincerely,

The Mint Bar

423 1st Ave So.

Glasgow, Montana
59230

Cheryl Ann Waters-owners
Tom H. W.

TO STATE OF MONTANA LEGISLATORS:

I WOULD LIKE TO GO ON RECORD SUPPORTING HB 236, THAT WOULD
LEGALIZE ELECTRONIC POKER AND KENO MACHINES.

SINCERELY,

Milda Carter NAME
Box 362 ADDRESS
Heidelberg MT CITY
Bar-Owner OCCUPATION

In our Community our Bar contributes
to all the marathons for MS - March of Dimes
Contributes to all school functions. The really need
the extra revenue these machine bring to
help with larger phone, electric & Natural Gas
the as low as ours our Canadian trade has
really dropped. They before used to come play
these machines. They also made purchases at
the other stores in our area. In Eastern
Montana we are really supporting this
Bill.

TO STATE OF MONTANA LEGISLATORS:

I WOULD LIKE TO GO ON RECORD SUPPORTING HB 236, THAT WOULD
LEGALIZE ELECTRONIC POKER AND KENO MACHINES.

SINCERELY,

<u>Jim Foessel</u>	NAME
<u>513</u>	ADDRESS
<u>Nashua, Mt.</u>	CITY
<u>Soleman</u>	OCCUPATION

I would like to go on record as
saying I support Nashua Little League,
Nashua Lions Club, Nashua Winterfest, Sheriff
Dept, Nashua & Glasgow Sports Program,
Nashua Senior Citizens, and I would
like to see HB 236 take effect!

TO STATE OF MONTANA LEGISLATORS:

I WOULD LIKE TO GO ON RECORD SUPPORTING HB 236, THAT WOULD
LEGALIZE ELECTRONIC POKER AND KENO MACHINES.

SINCERELY,

Walter F. Smith NAME

824 1st St. NW ADDRESS

Glasgow, Mt CITY

Bar Owner OCCUPATION

We believe that legalizing electronic poker machines would increase revenue in the state. It has produced revenue to pay bills and also payed out that money changed hands several times. In our particular area the economy is down and additional revenue is much needed. By legalizing these machines the city, county & state would also benefit.

TO STATE OF MONTANA LEGISLATORS:

I WOULD LIKE TO GO ON RECORD SUPPORTING HB 236, THAT WOULD
LEGALIZE ELECTRONIC POKER AND KENO MACHINES.

SINCERELY,

Dorlene Paul Morgan NAME
902 3rd Ave S. ADDRESS
Glasgow Mont. CITY
Montana Dev. Co. OCCUPATION

We support all different types of
Activity in Glasgow. Such as School
Calendars - baseball and many more
to many to even mention. I think the
machines help our community and it
also helps draw people to our town
which benefits stores hotels motels.

TO STATE OF MONTANA LEGISLATORS:

I WOULD LIKE TO GO ON RECORD SUPPORTING HB 236, THAT WOULD
LEGALIZE ELECTRONIC POKER AND KENO MACHINES.

SINCERELY,

<u>William E. John</u>	NAME
<u>67 Heather Lane</u>	ADDRESS
<u>St. Ignace, Mont.</u>	CITY
<u>Mayor of St. Ignace</u>	OCCUPATION

*the city of St. Ignace was trying the machine by
a system of license. This license was used to support
the law enforcement of the city. This loss in license
has put additional pressure on our system of
property taxation.*

TO STATE OF MONTANA LEGISLATORS:

I WOULD LIKE TO GO ON RECORD SUPPORTING HB 236, THAT WOULD
LEGALIZE ELECTRONIC POKER AND KENO MACHINES.

SINCERELY,

<u>Larry Lloyd</u>	NAME
<u>Box 7</u>	ADDRESS
<u>Nashua Mt.</u>	CITY
<u>Former Bar Owner</u>	OCCUPATION

We are very strong members of our community. Our children are all in school and we support and donate to every community organization. Our community enjoys the machines and totally supports these machines. It certainly helps us with our high cost of living bills and is very much needed.

Sharon Lloyd.

TO STATE OF MONTANA LEGISLATORS:

I WOULD LIKE TO GO ON RECORD SUPPORTING HB 236, THAT WOULD
LEGALIZE ELECTRONIC POKER AND KENO MACHINES.

SINCERELY,

Ralph E. Beizer NAME

933-57th Ave So ADDRESS

Glasgow Mont CITY

Carpenter - Painter OCCUPATION

All of the Counties City's & the state need the
Massive Revenue that this bill will generate.

TO STATE OF MONTANA LEGISLATORS:

I WOULD LIKE TO GO ON RECORD SUPPORTING HB 236, THAT WOULD
LEGALIZE ELECTRONIC POKER AND KENO MACHINES.

SINCERELY,

22221 Barrell NAME
Box 131 ADDRESS
Fl. Rock Mt CITY
Myr. Whipped Cream OCCUPATION

TO STATE OF MONTANA LEGISLATORS:

I WOULD LIKE TO GO ON RECORD SUPPORTING HB 236, THAT WOULD
LEGALIZE ELECTRONIC POKER AND KENO MACHINES.

SINCERELY,

W. S. Hancher NAME
1107 E KANSAS ADDRESS
FORT ROCK MT. CITY
HOTEL OWNER OCCUPATION

TO STATE OF MONTANA LEGISLATORS:

I WOULD LIKE TO GO ON RECORD SUPPORTING HB 236, THAT WOULD
LEGALIZE ELECTRONIC POKER AND KENO MACHINES.

SINCERELY,

S. L. Smith NAME
Box 886 ADDRESS
Glasgow CITY
employed OCCUPATION

TO STATE OF MONTANA LEGISLATORS:

I WOULD LIKE TO GO ON RECORD SUPPORTING HB 236, THAT WOULD
LEGALIZE ELECTRONIC POKER AND KENO MACHINES.

SINCERELY,

Walter L. Anderson NAME
Box 683 ADDRESS
Gregory, Mont. CITY
OCCUPATION

TO STATE OF MONTANA LEGISLATORS:

I WOULD LIKE TO GO ON RECORD SUPPORTING HB 236, THAT WOULD
LEGALIZE ELECTRONIC POKER AND KENO MACHINES.

SINCERELY,

Robert Elfring NAME
135 4th Avenue N ADDRESS
GLASGOW CITY

OCCUPATION

TO STATE OF MONTANA LEGISLATORS:

I WOULD LIKE TO GO ON RECORD SUPPORTING HB 236, THAT WOULD
LEGALIZE ELECTRONIC POKER AND KENO MACHINES.

SINCERELY,

Bill Franks NAME
741 4th Ave South ADDRESS
Albany CITY
Do - OCCUPATION

TO STATE OF MONTANA LEGISLATORS:

I WOULD LIKE TO GO ON RECORD SUPPORTING HB 236, THAT WOULD
LEGALIZE ELECTRONIC POKER AND KENO MACHINES.

SINCERELY,

May I Fuhrman NAME
RAI West - 4390 ADDRESS
Glasgow CITY

OCCUPATION

TO STATE OF MONTANA LEGISLATORS:

I WOULD LIKE TO GO ON RECORD SUPPORTING HB 236, THAT WOULD
LEGALIZE ELECTRONIC POKER AND KENO MACHINES.

SINCERELY,

GARY DASCHER NAME
HER 271-1112 ADDRESS
Glasgow, MT CITY
Pub Tech OCCUPATION

TO STATE OF MONTANA LEGISLATORS:

I WOULD LIKE TO GO ON RECORD SUPPORTING HB 236, THAT WOULD
LEGALIZE ELECTRONIC POKER AND KENO MACHINES.

SINCERELY,

Lee Kinnell NAME
Rt 628 ADDRESS
Coleman CITY
OCCUPATION

TO STATE OF MONTANA LEGISLATORS:

I WOULD LIKE TO GO ON RECORD SUPPORTING HB 236, THAT WOULD
LEGALIZE ELECTRONIC POKER AND KENO MACHINES.

SINCERELY,

Pearl Golden NAME
Bx 1135 ADDRESS
Glasgow CITY
OCCUPATION

TO STATE OF MONTANA LEGISLATORS:

I WOULD LIKE TO GO ON RECORD SUPPORTING HB 236, THAT WOULD
LEGALIZE ELECTRONIC POKER AND KENO MACHINES.

SINCERELY,

Kevin Martin NAME
Nashua ADDRESS
CITY
Bar + Lanes OCCUPATION

TO STATE OF MONTANA LEGISLATORS:

I WOULD LIKE TO GO ON RECORD SUPPORTING HB 236, THAT WOULD
LEGALIZE ELECTRONIC POKER AND KENO MACHINES.

SINCERELY,

Rick Kinzell NAME
Box 625 ADDRESS
Glasgow Mt CITY
OCCUPATION

TO STATE OF MONTANA LEGISLATORS:

I WOULD LIKE TO GO ON RECORD SUPPORTING HB 236, THAT WOULD
LEGALIZE ELECTRONIC POKER AND KENO MACHINES.

SINCERELY,

Ray E. Brien NAME
700 N. 1st Ave ADDRESS
Glasgow CITY
Retired Co. U.S.A. OCCUPATION

Rene F. Hotaler NAME
RR# Box 4470 ADDRESS
Glasgow Mt. CITY
Bank Clerk OCCUPATION

Estel Neant NAME
Box 286 ADDRESS
Glasgow CITY
Rancher OCCUPATION

Paul J. Gie NAME
P.O. Box 444 ADDRESS
Glasgow CITY
Sales OCCUPATION

R. F. Rogers NAME
16 Heather St ADDRESS
Billings mt CITY
Sales OCCUPATION

TO STATE OF MONTANA LEGISLATORS:

I WOULD LIKE TO GO ON RECORD SUPPORTING HB 236, THAT WOULD
LEGALIZE ELECTRONIC POKER AND KENO MACHINES.

SINCERELY,

[Signature] NAME
615 K. Ave. Rd. ADDRESS
Helena, MT CITY
Senior Pro OCCUPATION

Lindora D. Hym NAME
P.O. Box 1232 ADDRESS
Helena CITY
Retired OCCUPATION

Phil Arneson NAME
1005 W. Ave S ADDRESS
Glacier Mont CITY
Cook OCCUPATION

Larry Miller NAME
Post Office Box 28 ADDRESS
Helena CITY
Contractor OCCUPATION

Camela Kessler NAME
Box 1062 ADDRESS
Helena CITY
MT 59203 OCCUPATION

TO STATE OF MONTANA LEGISLATORS:

I WOULD LIKE TO GO ON RECORD SUPPORTING HB 236, THAT WOULD
LEGALIZE ELECTRONIC POKER AND KENO MACHINES.

SINCERELY,

M. J. Brade NAME

1100 W. 1st St. ADDRESS

Glasgow MT. 59230 CITY

Court OCCUPATION

Betty Ann Morrison NAME

Box 117.5 ADDRESS

Glasgow, MT CITY

OCCUPATION

Patricia J. Smith NAME

724 S. 1st St. ADDRESS

MT CITY

Shirley J. Smith OCCUPATION

Walter W. Turner NAME

Box 442 ADDRESS

Blairstown Mt. CITY

Poker Player OCCUPATION

TO STATE OF MONTANA LEGISLATORS:

I WOULD LIKE TO GO ON RECORD SUPPORTING HB 236, THAT WOULD
LEGALIZE ELECTRONIC POKER AND KENO MACHINES.

SINCERELY,

[Signature] NAME
[Signature] ADDRESS
[Signature] CITY
[Signature] OCCUPATION

[Signature] NAME
[Signature] ADDRESS
[Signature] CITY
[Signature] OCCUPATION

[Signature] NAME
[Signature] ADDRESS
[Signature] CITY
[Signature] OCCUPATION
[Signature]

TO STATE OF MONTANA LEGISLATORS:

I WOULD LIKE TO GO ON RECORD SUPPORTING HB 236, THAT WOULD
LEGALIZE ELECTRONIC POKER AND KENO MACHINES.

SINCERELY,

Vivian J. Plant NAME
1011 N. 1st St. Box 304 ADDRESS
Washington CITY
Hon. Keeper OCCUPATION

Robert J. Bell NAME
RT 1 Box 4976 ADDRESS
Box 48700 CITY
W. J. Bell OCCUPATION

Betty Keonik NAME
10-A Skyline Dr. ADDRESS
Helena CITY
Waitress OCCUPATION

TO STATE OF MONTANA LEGISLATORS:

I WOULD LIKE TO GO ON RECORD SUPPORTING HB 236, THAT WOULD
LEGALIZE ELECTRONIC POKER AND KENO MACHINES.

SINCERELY,

Carl Conrad NAME
1005 6th Ave S. ADDRESS
Glacier MONT CITY
Insurance OCCUPATION

How can you tell anyone how they
can spend the money they earn
at their job?

SINCERELY,

Ray Swedeen NAME
1015-6th Ave S. ADDRESS
Glacier Mont CITY
Insurance OCCUPATION

SINCERELY,

Doris Rylow NAME
Box 1139 ADDRESS
Glacier Mnt CITY
Bar Owner OCCUPATION

Arnet Wandy NAME
640 5 Ave S. ADDRESS
Glacier CITY
Bar OCCUPATION

TO STATE OF MONTANA LEGISLATORS:

I WOULD LIKE TO GO ON RECORD SUPPORTING HB 236, THAT WOULD
LEGALIZE ELECTRONIC POKER AND KENO MACHINES.

SINCERELY,

Mondy Stuart NAME
1009 2nd Ave. So. ADDRESS
Glasgow, Mont. CITY
dist. worker OCCUPATION

SINCERELY,

Mary Ann Ream NAME
615 6 St. So. ADDRESS
Glasgow, Mont. CITY
Clock OCCUPATION

James E. Lines NAME
802 6th St. No. ADDRESS
Glasgow CITY
Banking OCCUPATION

Jim Brown NAME
5th Street ADDRESS
Glasgow CITY
Bank employee OCCUPATION

Kim Erickson NAME
407 2nd Ave. No. ADDRESS
Glasgow, MT 59301 CITY
ENR of Sonoma OCCUPATION

TO STATE OF MONTANA LEGISLATORS:

I WOULD LIKE TO GO ON RECORD SUPPORTING HB 236, THAT WOULD
LEGALIZE ELECTRONIC POKER AND KENO MACHINES.

SINCERELY,

Pat Wooten NAME
1009 DND RV. SO ADDRESS
GLASGOW CITY
Housewife OCCUPATION

J. J. J. NAME
838 11th Ave. N. ADDRESS
Chicago CITY
Ret - Bk OCCUPATION

Christy P. King NAME
412 4th St. N. ADDRESS
Chicago CITY
Monte Perone OCCUPATION

Julie M. Lawton NAME
1037-4th Ave. S. ADDRESS
Glasgow MT 59230 CITY
Secretary OCCUPATION

W. J. J. NAME
914 7th Ave. N. ADDRESS
Chicago CITY
Banking OCCUPATION

TO STATE OF MONTANA LEGISLATORS:

I WOULD LIKE TO GO ON RECORD SUPPORTING HB 236, THAT WOULD
LEGALIZE ELECTRONIC POKER AND KENO MACHINES.

SINCERELY,

Tammy Whitlow NAME
403 9th St. N. ADDRESS
Billings CITY
Post Office OCCUPATION

Scott A. Hansen NAME
Box 245 ADDRESS
Glasgow CITY
Farmer Rancher OCCUPATION

E. Beverly Smith NAME
3413 12th Ave NW ADDRESS
Glasgow Mont CITY
1017 17th St OCCUPATION

Don't Schull NAME
Glasgow ADDRESS
Glasgow CITY
Bar M/W OCCUPATION

Clara B. Kousner NAME
1544-1st St. N. ADDRESS
Glasgow Mt. CITY
Therapist

TO STATE OF MONTANA LEGISLATORS:

I WOULD LIKE TO GO ON RECORD SUPPORTING HB 236, THAT WOULD
LEGALIZE ELECTRONIC POKER AND KENO MACHINES.

SINCERELY,

Howard Scott NAME
329-5th ave. So. ADDRESS
Glasgow, Mt. CITY
retired OCCUPATION

Larry Tade NAME
910 Valley View ADDRESS
Glasgow, Mt. CITY
Utility Employee OCCUPATION

Teresa Rankin NAME
P.O. Box 414 ADDRESS
Glasgow MT CITY
Secretary OCCUPATION

Ann Potter NAME
HCR 271-2187 ADDRESS
Glasgow CITY
Waitress OCCUPATION

Glenda R. James NAME
44211 Main ADDRESS
Glasgow, Mt. CITY

TO STATE OF MONTANA LEGISLATORS:

I WOULD LIKE TO GO ON RECORD SUPPORTING HB 236, THAT WOULD
LEGALIZE ELECTRONIC POKER AND KENO MACHINES.

SINCERELY,

F. J. Jensen NAME
4500 E ST South ADDRESS
Glasgow, Mont CITY
Bowling Prop. OCCUPATION

SINCERELY,

Ray L Kombsky NAME
RR 1 #4560 ADDRESS
GLASGOW MT CITY
CHEF OCCUPATION

SINCERELY,

David K. Nystrom NAME
1100 2nd Avenue #3 ADDRESS
Glasgow, MT CITY
Secretary OCCUPATION

SINCERELY,

Neline Hallberg NAME
Neline Tenaw 476 ADDRESS
Glasgow CITY
Educator OCCUPATION

TO STATE OF MONTANA LEGISLATORS:

I WOULD LIKE TO GO ON RECORD SUPPORTING HB 236, THAT WOULD
LEGALIZE ELECTRONIC POKER AND KENO MACHINES.

SINCERELY,

Donna Lascher NAME
51 Peck Rd #112 ADDRESS
Glasgow Mont CITY
Bookkeeper OCCUPATION

Beverly Jada NAME
910 Valley View ADDRESS
Missoula MT 59730 CITY
Bookkeeper OCCUPATION

W. L. Lagan NAME
630 10th St N ADDRESS
Glasgow Mont. CITY
Cartographer OCCUPATION

Debbie Dulaney NAME
ADDRESS
Glasgow, Montana CITY
Secretary OCCUPATION

TO STATE OF MONTANA LEGISLATORS:

I WOULD LIKE TO GO ON RECORD SUPPORTING HB 236, THAT WOULD
LEGALIZE ELECTRONIC POKER AND KENO MACHINES.

SINCERELY,

Lois E. Egan NAME
601 main ADDRESS
GLASGOW MT CITY
V OCCUPATION

Suzanne Will NAME
210- 9th St. S. ADDRESS
GLASGOW, MT 59230 CITY
Travel Agent OCCUPATION

Pat J. Simon NAME
922 10th AV. N. ADDRESS
Glasgow, Mont. CITY
Housewife OCCUPATION

Irene Beyle NAME
Box 891 ADDRESS
Glasgow, CITY
Banking OCCUPATION

Tim Hunter
Tim Hunter NAME
P.O. Box 865 ADDRESS
GLASGOW MT CITY
Banker OCCUPATION

NAME:

NEAL KIRKNESS

DATE:

3-12-85

ADDRESS:

B195

PHONE:

REPRESENTING WHOM?

MEMBER OF Blg City Council

APPEARING ON WHICH PROPOSAL:

HB 236

DO YOU:

SUPPORT?

X

AMEND?

OPPOSE?

COMMENTS:

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

EXHIBIT 6
BUSINESS & INDUSTRY
March 12, 1985

Coin Operators from Dillings

Automatic Music - Phil Keith & Larry McGail

Big Sky Music Clarence Storch

Big Sky Amusement Eno. Sweigert

Valley Sales John Alguire

Video Game Leasing Frank Paylie

Silver Dollar Vending Mark Waller

As R Vending ~~Paul, R. Spicer~~

Starward Investment Duane Brazier

Proponents for HB 236

EXHIBIT 6
BUSINESS & INDUSTRY
March 12, 1985

March 11, 1985

TO: THE SENATE BUSINESS & INDUSTRY COMMITTEE:

I am a member of the Billings City Council. I am recommending to this committee to support H.B. 236. This bill would simply make the poker machines legal.

We in the city of Billings, along with the rest of the cities and towns in the state, desperately need other sources of revenue to fund local government.

We simply cannot keep raising property taxes to fund the money needs that local government has. I again plead with you to support H.B. 236.

Thank you.

Sincerely,

Neal C. Kirkness
Billings City Council
413 Russell Dr.
Billings, Mt. 59102
259-4422

March 12, 1985

TESTIMONY PROVIDED BY NEAL KIRKNESS IN SUPPORT OF HOUSE BILL 236 THAT WOULD
LEGALIZE MECHANICAL DRAW POKER.

SINCE THE STATE OF MONTANA DOES AUTHORIZE LIMITED GAMBLING, IT SEEMS UNFORTUNATE
THAT MECHANICAL DRAW POKER CANNOT BE ENJOYED BY THE PUBLIC. IT'S EXTENSIVE USE THROUGH-
OUT THE STATE PRIOR TO THE SUPREME COURT DECISION IS TESTIMONY OF THE PUBLIC'S
INTEREST IN THE GAME. THE DISTINCTION THAT IS DRAWN BETWEEN MECHANICAL KENO AND
DRAW POKER IS UNREASONABLE. DRAW POKER MACHINES OFFER A SIGNIFICANT SOURCE OF
REVENUE FOR LOCAL GOVERNMENT AND ARE A SOURCE OF RECREATIONAL ENJOYMENT FOR A LARGE
NUMBER OF PEOPLE. I URGE YOU TO SUPPORT HOUSE BILL 236.

County of Yellowstone



TREASURER

P.O. Box 35010
Billings, Mt. 59107

March 11, 1985

EXHIBIT 7
BUSINESS & INDUSTRY
March 12, 1985

Business & Industry Committee
Helena, Mt. 59601

Re: HB 236

As a member of the Yellowstone County Gambling Commission for the past 10 years, I can speak with some authority as to the gambling issues.

In Yellowstone County those establishments that legally license their premises, machines and poker tables do not cause us any concern. The establishments are monitored by the Sheriff and whenever a problem arises, the Gambling Commission notifies them and puts them on probation or fines them or both.

To legalize a poker machine would generate much needed revenue to the City and County especially if the license would start at a substantial figure. Example: \$1,000 for the 1st machine, \$1,500 for the 2nd, \$2,000 for the 3rd and up. I realize these license fees would be set by the City Council or County Commissioners. I threw those figures out as that is what I've been hearing the establishments are willing to pay.

Yellowstone County has 23 Premises and the City has 42, that would likely put poker machines in from this standpoint, the revenue for County could be estimated at \$34,500 depending of course how many machines each establishment would license. The City could generate \$63,000 or thereabouts.

These are only estimates.

MAY JENKINS
Yellowstone County Treasurer

NAME: Mike Kennedy DATE: 3-12-85

ADDRESS: _____

PHONE: _____

REPRESENTING WHOM? Member of Bldg City Council

APPEARING ON WHICH PROPOSAL: AB 236

DO YOU: SUPPORT? X AMEND? _____ OPPOSE? _____

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

EXHIBIT 8
BUSINESS & INDUSTRY
March 12, 1985

STATEMENT IN SUPPORT OF HB236 BY DONALD W. LARSON, CHAIRMAN
OF THE EXECUTIVE BOARD OF THE MONTANA TAVERN ASSOCIATION.
TUESDAY, MARCH 12, 1985

TO: CHAIRMAN, SENATOR MIKE HALLIGAN AND MEMBERS OF
THE SENATE BUSINESS & INDUSTRY COMMITTEE:

ON BEHALF OF THE ENTIRE MEMBERSHIP OF THE MONTANA
TAVERN ASSOCIATION, WE UNANIMOUSLY SUPPORT HB236, WITH
AMENDMENTS OFFERED BY REP. BOB PAVLOVICH.

THE MONTANA TAVERN ASSOCIATION UNANIMOUSLY ENDORSED
THE CONCEPT OF HB236 AT OUR ANNUAL CONVENTION IN SEPTEMBER,
1984, AT WHICH TIME THE BOARD WAS INSTRUCTED TO CARRY OUT
THEIR MANDATE.

THIS SUPPORT HAS BEEN REAFFIRMED AT THREE SUBSEQUENT
MEETINGS.

OUR MEMBERS DESIRE TO HAVE POKER MACHINES LEGALIZED
IN THE STATE OF MONTANA UNDER THE PROVISIONS OF HB236,
WITH THE PROPOSED AMENDMENTS OFFERED BY REP. PAVLOVICH.


DONALD W. LARSON, Chairman
Executive Board of the
Montana Tavern Association

P. O. Box 851
Helena, MT 59624

Ph: 442-5040

EXHIBIT 9
BUSINESS & INDUSTRY
MARCH 12, 1985

NAME: D. W. Larson DATE: 3-12-85

ADDRESS: 1501 9th Ave.

PHONE: 442-6380

REPRESENTING WHOM? M.T.A

APPEARING ON WHICH PROPOSAL: H.B. 236

DO YOU: SUPPORT? X AMEND? OPPOSE?

COMMENTS: Prepared statement

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

100 Buck Torenson

DATE: 3/12/85

101 King 93 Sect

5-6100

WHOM? Best Western Rathaw Dwy

ON WHICH PROPOSAL: 3/B 236

SUPPORT? ☒

AMEND? ☐

OPPOSE? ☐

ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

EXHIBIT 10
BUSINESS & INDUSTRY
March 12, 1985

NAME: RICHARD SMITH DATE: 3/12/85

ADDRESS: MILES CITY

PHONE: 406-232-1153

REPRESENTING WHOM? BIG SKY AMUSEMENT

APPEARING ON WHICH PROPOSAL: HB 236

DO YOU: SUPPORT? X AMEND? _____ OPPOSE? _____

COMMENTS: VIDEO GAME VENDOR

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

EXHIBIT 11
BUSINESS & INDUSTRY
March 12, 1985

Senator HULLIGAN
State Capitol
Helena, MT 59620

Dear Senator HULLIGAN :

I respectfully ask for your support of HB236, a bill by Rep. Bob Pavlovich to legalize electronic poker machines in Montana, which has passed the House and is now in the Senate.

The revenue that will come from licensing these machines will provide local governments with an alternate source of revenue that they desperately need without adding more to our taxes.

I think people ought to have the right to enjoy this form of entertainment. If some don't want to play the machines, they're certainly not forced to do so.

Very truly yours,

Moose # 334
Gov. Alan B. Winters

P E T I T I O N

TO: SENATOR STAN STEPHENS
SENATOR ALLEN KOLSTAD

WE, THE UNDERSIGNED, HEREBY RESPECTFULLY REQUEST YOUR SUPPORT
OF HB236 BY REP. BOB PAVLOVICH TO LEGALIZE ELECTRONIC POKER MACHINES
IN MONTANA:

NAME

ADDRESS

CITY

OCCUPATION

Laura C. ...	Bx 2144	Cut Bank	Housewife
Margaret ...	123-S. Central	Cut Bank	Housewife
May Kapp	Bx 2293	Cut Bank	Retired
Alvin ...		Cut Bank	Retired
Carl ...		Cut Bank	Retired
Dave ...	Valley	Valley	
Patrick Fields	Bx 761	Cut Bank	Electric Tech
Christie Hammes		Cut Bank	Housewife
Richard Cline		Cut Bank	Retired
Nellie ...	183 S. Central	Cut Bank	
Leroy House		Cut Bank	Retired
Lora Kapp		Cut Bank	Housewife
Mr. ...		Cut Bank	Montana
James ...		Cut Bank	Ret.
Donald ...		Cut Bank	Oil Field

NAME: H.D. Enelow

DATE: _____

ADDRESS: 501 MAIN - mile City

PHONE: 232-2450

REPRESENTING WHOM? Ohio Hotel

APPEARING ON WHICH PROPOSAL: HB 236

DO YOU:

SUPPORT?

AMEND ?

OPPOSE?

COMMENTS :

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Tom Kirwin. DATE: 11/1/05

ADDRESS: Billing

PHONE: 256-8699

REPRESENTING WHOM? Big B Bingo Vending Division

APPEARING ON WHICH PROPOSAL: HB 236

DO YOU: SUPPORT? X AMEND? OPPOSE?

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Jerry L. T. Heiser DATE: _____

ADDRESS: Box 89 Sand Coulee

PHONE: 736 5188

REPRESENTING WHOM? MTA

APPEARING ON WHICH PROPOSAL: HB 236

DO YOU: SUPPORT? X AMEND? _____ OPPOSE? _____

COMMENTS: Coin Operator + Bar Owners

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: JOHN USLATON

DATE: 3-12-85.

ADDRESS: Bellings

PHONE: _____

REPRESENTING WHOM? PRES. MTA

APPEARING ON WHICH PROPOSAL: JHD 236

DO YOU: SUPPORT? X AMEND? OPPOSE?

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME :

DATE: 3-12-85

ADDRESS :

PHONE :

REPRESENTING WHOM?

APPEARING ON WHICH PROPOSAL:

DO YOU:

SUPPORT?

X

AMEND?

OPPOSE?

COMMENTS:

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

Montana

Association of
Churches



MONTANA RELIGIOUS LEGISLATIVE COALITION • P.O. Box 745 • Helena, MT 59601

EXHIBIT 13
BUSINESS & INDUSTRY
March 12, 1985

March 12, 1985

MR. CHAIRMAN AND MEMBERS OF THE SENATE BUSINESS AND
INDUSTRY COMMITTEE:

For the record, I am Cathy Campbell, speaking on
behalf of the Montana Association of Churches and
testifying against HB 236.

I've testified here before, so you know our
position against any expansion of gambling in Montana.

HB 236 is a particularly alarming bill. It will
legalize electronic poker machines, machines which the
Montana Supreme Court has ruled are slot machines. In
the decision in 1984, the Court stated that "the electronic
'poker' machine is clearly a slot machine..." (Gallatin
County v D&R Music & Vending Company, 1984 (No. 82-461))

And they are slot machines. They are the casino
machines found in great numbers in Nevada and Atlantic
City, New Jersey. A New York Times article (Jan. 21, 1984)
entitled "Electronics Invades Gambling Industry" reports
"some casinos have entire sections devoted to video
poker machines. (Some) are built into bar counters so
customers can play while they drink." In Nevada, there
is an entire video gambling casino. With no restriction
on the number of machines in an establishment, that's
exactly what we will have in Montana. This will be
allowed under HB 236.

But even in Atlantic City and Nevada, there are
controls on the machines that do not exist in HB 236. In
New Jersey, the electronic poker machines are recognized
for what they are, casino machines. They are allowed
only in the casinos in Atlantic City. They are not legal
in taverns or other locations throughout the state as
HB 236 will allow in Montana.

In Nevada, the Gaming Control Board has ordered video
poker machines removed from a video arcade in a pizza
parlor. But HB 236 will allow video poker machines in
pizza parlors or grocery stores or many other places.

WORKING TOGETHER:

American Baptist Churches
of the Northwest

American Lutheran Church
Rocky Mountain District

Christian Church
(Disciples of Christ)
in Montana

Episcopal Church
Diocese of Montana

Lutheran Church
in America
Pacific Northwest Synod

Roman Catholic Diocese
of Great Falls-Billings

Roman Catholic Diocese
of Helena

United Church
of Christ
MT-N.W.Y. Conference

United Methodist Church
Yellowstone Conference

Presbyterian Church (U.S.A.)
Glacier Presbytery

Presbyterian Church (U.S.A.)
Yellowstone Presbytery

The Montana Card Games Act, which HB 236 amends, provides:

23-5-321 (1) Any city, town, or county may issue licenses for the games provided for in the part to be conducted on premises which have been licensed for the sale of liquor, beer, food, cigarettes, or any other consumable products..."

Imagine the implications of this. Children will have access to these machines. They will be located in places children can go without adult supervision.

In other testimony on this bill, it has been claimed that these gambling machines operate with no problems in West Virginia, Tennessee, Kentucky and North Carolina. I have checked with the Attorney General's office in each of these states and have found that this is not true. Some of the states do allow Draw 80 poker machines, but only as arcade machines. They can only award free games, as does a PAC MAN machine. If there is any cash or merchandise prize, the machines are considered gambling machines and are illegal. That's not what we're talking about here.

The Gamblers Anonymous group in Great Falls has reported that 80% of their people are hooked on electronic machines. In the last 90 days, they have been contacted by 15-20 new compulsive gamblers. These are people who are having severe family and financial problems because of their gambling.

This is why we oppose this bill and other gambling bills, because of the problems an expansion of gambling will cause for people and communities.

Dear Sirs:

I am writting this letter with some great concern on House Bill # 236 for the legalization of the use of electronic poker machines in the State of Montana. I know that you hear from alot of church organizations on moral issues and on the evils it brings to family life. An maybe that might be true to a certsin point, but we will always have within our society people who leak off of the misfortunes of others. That is just part of the human race. Some people look out for only for themselves and no one else. When the United States government back in the 1920's tried to enforce Prohibition. The sale of alcohol did not stop underground bars and organized crime from saling it. Anyway a law might be written, their are some who will find away around it to make a buck.

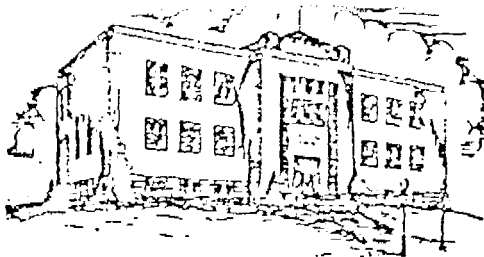
If you are thinking of voting on this House Bill # 236. Think of all of the aspects of what can be done the honest way. A Gaming Commission and State could put restrictions on the pay-offs and levy a tax pre-machine that could bring revenue to the State to help support the State Office for Public Instruction, Montana State Fire Training Service, State Law Enforcement, or Developmental Disabilities Division. These are just a few areas I'm sure that could benefit from the extra tax revenue.

Your concern shouldn't be the evils of what this House Bill supports, but how can you stop organized crime from coming in the State and doing things illegally. Under State control and with certain restrictions the Bill past will be a honest one.

Sincerely,
Father Greg Staudinger
Saint Raphael Church
Box 1047
Glasgow, Montana 59230

Fr Greg Staudinger

JOHN G. NISBO, Chairman
TOM SHERHARD, Commissioner
J.G. GOTTFRIED, Commissioner
RAE KALBFLEISCH, County Attorney
ELIZABETH MUNSON, Clerk and Recorder
VERN L. ANDERSON, Sheriff



COUNTY OF TOOLE

Shelby, Montana

VIVIAN S. HALL, Clerk of Court
JUDITH J. NELVINS, Treasurer
CORRINE MERHAR, Assessor
THELMA O. ROBERTSON, Co. Sup.
JERRY MURRAY, Coroner
TONY LUNDA, Public Administrator
JAMES C. FARRAR, Justice of the Peace

4 February 1985

EXHIBIT 14
BUSINESS & INDUSTRY
March 12, 1985

HOUSE BUSINESS & LABOR COMMITTEE
State Capitol
Helena, MT 59601

Re: House Bill 236

Dear Committee Members:

With reference to the above entitled bill to legalize video machines to include play of all card games, it is my opinion that this legislation is not in the best interests of the people of the State of Montana. Local law enforcement agencies will bear the brunt of the problems created by casino gambling as authorized by this bill and there can be no denial that numerous problems will arise.

I personally disagree with any attempt to fund state government via gambling proceeds. Neither the State of Montana or the local governmental agencies will receive any significant revenue unless the State of Montana licenses and controls the video machines and actually own the same under supervision of a State Gambling Commission.

It is my opinion that passage of House Bill #236 will lead to a proliferation of gambling and will authorize wide-open casino gambling through the use of slot machines, i.e: video machines, because the video machines can be adapted to allow black jack and all other games, thereby effectively legalizing all slot machines in Montana.

Respectfully yours,

Rae V. Kalbfleisch,
Toole County Attorney

payment of parking fees was something like \$500 or 6 months in jail and he felt this was a pretty severe penalty also. Towing away cars gets to be expensive also and about the only thing you can do is hold the vehicle till the owner pays the fee. He felt something should be done but this legislation was not the answer.

Rep. Pistoria felt chaining a car for 3 or 4 hours was also pretty severe. Senator Williams asked Rep. Pistoria if he had had support from other cities besides Great Falls and he stated that he had. Senator Christiaens wondered if there was perhaps a grace period of a little time before they resort to chaining the vehicles and was told they do this within one or two hours after discovery the parking fee was not paid.

Senator Christiaens wondered if something could be written into the contract for the parking supervision that this practice not be allowed. Senator Thayer asked what other recourse the private lots would have to enforce payment of fines.

In closing Rep. Pistoria felt this bill would help the businesses in the areas where this practice is followed if it were to be eliminated. He recommended his bill be concurred in.

DISPOSITION OF HOUSE BILL 236: A gray bill had been prepared for House Bill 236 with the proposed new amendments included. (EXHIBIT 3) Senator Williams MOVED THAT HOUSE BILL 236 BE CONCURRED IN.

Mary McCue, Legislative Staff Attorney, noted that the original bill had no limitation as to what kind of game and this has been changed to say "Draw Poker". In section 1, which deals with card games, she felt this might be misunderstood as not having anything to do with the machine but rather any card game that is played against the house. She thought the title should also include "Draw Poker" also. Senator Thayer felt the language was broad enough to include slot machines.

Page 3, new section 4, deals with the license fee. The fee would be \$800 per machine per year and 1/2 would go into the general fund and 1/2 to the counties or cities and there would be a limit of 5 machines per applicant. The term for leasing, if you chose to lease, would be 30 months. There is language on page 4 giving the department of revenue the authority to adopt rules to implement the program.

Senator Kolstad wondered when the counties would receive money and was told when the cities were unincorporated and the machines were located in the county.

Senator Halligan noted the payout percentage was not regulated and there are no computers involved. The revenue generated is only from the license fees and not from the proceeds of the machines. Both poker bills limited the places the machines

could be located but this bill is far broader than SB 391 was. This bill would generate a revenue of approximately \$5 million.

Mary McCue had talked with legislative council about the language for card games and they felt there might be some misinterpretation. She felt the language should be put with the machines or be left out completely. Phil Strobe, Montana Tavern Association, felt the language was not necessary. Rep. Pavlovich noted this had been added because a county attorney had told him he felt that it was necessary for clarification. He did not object to removing this particular language however. John Poston, Coin Machine Operators Lobbyist, thought the language may have come about as a result of a court case.

Senator Thayer wondered about the 30 month lease. Rep. Pavlovich stated he felt this was just for the protection of the coin operator himself. You could purchase the machine too he pointed out.

Senator Fuller asked what the license fee was now and was told that it varies from area to area. Senator Thayer asked Rep. Pavlovich if he was opposed to amending the state out of the bill. He stated he would rather see the money go to the cities and towns first but had no objections to money going to the state.

Senator Goodover wondered about the department of revenue implementing rules concerning design, manufacture, distribution and accounting of validation of the machines. Rep. Pavlovich explained this would mean the state would come in, inspect the machine and after acceptance stamp it for validation.

Senator Neuman wondered if \$200 net per week was a realistic figure for each machine. Rep. Pavlovich felt this would vary, some would produce more and some less. Senator Neuman was concerned at the difference in revenue figures between the two bills. One bill stated \$5 million and another \$45 million and he felt if this were true, it would mean a \$40 million windfall to the tavern owners. He felt this was just too much and that the local or state should be able to benefit from some of this. Rep. Pavlovich felt the fiscal note was too high for SB 391. He felt there would possibly be between 4000 and 5000 machines. Senator Kolstad felt the \$800 per machine was far too low.

Senator Goodover felt this was a big enough issue that it should be decided on the Senate floor. Senator Thayer stated he would not vote for this bill unless it was amended first.

Senator Fuller asked about the so called "weekender" machines. Rep. Pavlovich stated they do not change machines for different payouts in his county. A brief discussion of the mechanism that is in the machine which regulates the payout.

Senator Neuman asked if Rep. Pavlovich was more concerned about paying the tax or hooking up to a computer. Rep. Pavlovich stated he did not want to be tied in to a computer and being regulated in such a manner.

Senator Neuman wondered if there were machines made that could not be tampered with. John Poston stated there are a great number of machines still around that are illegal but there is a machine made that is tamperproof. Those who still own the old machines would lose their investment however. Rep. Pavlovich then distributed a letter stating that such a machine can be made. (EXHIBIT 4)

A letter from Lynn Seelye, Attorney and a petition from folks in the Billings area in support of HB 236 was also submitted. (EXHIBIT 5)

Senator Goodover noted that the language stated the department of revenue would set the rules and do the inspections and he felt this would be quite a job of enforcement. Senator Boylan felt that you could put counters on the machines without having an electronic hookup.

Senator Williams felt it should not be the responsibility to decide on the 80/20 or 90/10 or whatever split but just to determine whether or not they should be legal and let the local governments decide on the payout.

Senator Weeding MOVED TO CHANGE THE WORDING TO SAY DRAW 80 POKER IN THREE AREAS OF THE BILL AND IN THE TITLE. This motion carried.

Senator Thayer had a concern about the 50/50 split. He felt you could turn it over completely to the cities and counties but since the state is involved in rulemaking it makes it pretty broad. He feels the take for the state is too high and that the locals should have more. The \$800 fee was far too low also he felt.

Senator Kolstad then MOVED TO CHANGE THE LICENSE FEE TO \$1200 PER MACHINE. Senator Thayer wondered about a graduated scale with those having more machines paying more. Representative Pavlovich felt it should be a flat rate. This motion carried.

Senator Thayer THEN MOVED THAT 75% OF THE FEE GO TO LOCAL GOVERNMENTS AND 25% GOES TO THE STATE. This motion carried. Senator Neuman and Senator Halligan voted "no".

A brief discussion of sunseting the bill but it was felt because of the lease provision being 30 months this would not work.

On a roll call vote Senator Williams's MOTION TO PASS THE GRAY BILL AS AMENDED carried 6 to 4. Senator Halligan, Senator Gage, Senator Neuman and Senator Weeding voted "no". Senator Goodover was not present for this vote. (EXHIBIT 6)

Senator Kolstad then MOVED TO AMEND THE STATEMENT OF INTENT TO INCLUDE THE LANGUAGE "DRAW 80 POKER". This motion carried. He then MOVED TO ADOPT THE STATEMENT OF INTENT AS AMENDED. The motion carried.

ROLL CALLBUSINESS & INDUSTRY

COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date 3-28-85

SENATE
SENT
#

NAME	PRESENT	ABSENT	EXCUSED
Chairman Halligan	X		
V-chrm. Christiaens	X		
Senator Boylan	X		
Senator Fuller	X		
Senator Gage	X		
Senator Goodover	X		
Senator Kolstad	X		
Senator Neuman	X		
Senator Thayer	X		
Senator Williams	X		
Senator Weeding	X		

Each day attach to minutes.

STANDING COMMITTEE REPORT

Page 1 of 4

MARCH 28

35

19.....

MR. PRESIDENT

BUSINESS & INDUSTRY

We, your committee on.....

HOUSE BILL

236

having had under consideration.....

No.....

third reading copy (blue)
color

REDEFINE "CARD GAMES" TO INCLUDE VIDEO GAME MACHINES (Lynch)

Respectfully report as follows: That.....

HOUSE BILL

236

No.....

be amended as follows:

1. Title, line 5.

Following: "A GAME"

Insert: "PLAYED AGAINST THE HOUSE AND A GAME OF DRAW POKER"

2. Title, line 6.

Following: "MACHINE;"

Insert: "PROVIDING FOR LICENSING OF THE MECHANICAL OR
ELECTRONIC VIDEO CARD GAME OF DRAW POKER;"

Following: "AMENDING"

Strike: "SECTION"

Insert: "SECTIONS"

Following: "23-5-302,"

Insert: "23-5-311, AND 23-5-321."

Following: "MCA"

Insert: "; AND PROVIDING EFFECTIVE DATES"

3. Page 1, line 14.

Following: "part"

Insert: ", including a card game played against the house"

4. Page 1, line 16.

Following: including a game"

Insert: of draw poker"

(continued)

XXXXPASS

XXXXXXPASS

Chairman.

5. Page 1, following line 19

Insert: "Section 2. Section 23-5-311, MCA is amended to read:

"23-5-311. Authorized card games. (1) It is unlawful for any person:

(a) to conduct or participate in any card game or make any tables available for the playing of card games except those card games authorized by this part; or

(b) to make any mechanical or electronic video game machine available for the playing of a game that simulates a game played with cards except in conformance with section 4).

(2) The card games authorized by this part are and are limited to the card games known as bridge, cribbage, hearts, panguingue, pinochle, pitch, rummy, whist, solo, and poker.

Section 3. Section 23-5-321, MCA is amended to read:

"23-5-321. Licensing by local governing bodies. (1) Any city, town, or county may issue licenses for the games provided for in this part to be conducted on premises which have been licensed for the sale of liquor, beer, food, cigarettes, or any other consumable products. Within the cities or towns, such licenses may be issued by the city or town council or commission. Licenses for games conducted on premises outside the limits of any city or town may be issued by the county commissioners of the respective counties. When a license has--been is required by any city, town, or county, no game as provided for in this part shall may be conducted on any premises which have--been are licensed for the sale of liquor, beer, food, cigarettes, or any other consumable product without unless such license having is first been obtained.

(2) Any In addition to the license fee required to be paid to the department of revenue under section 4), any governing body may charge an annual license fee for each license so issued under this part, which license fee, if any, shall expire on June 30 of each year, and such fee shall be prorated.

(continued)

(2) Any license issued pursuant to this part shall be deemed to be a revocable privilege, and no holder thereof may acquire any vested rights therein or thereunder.

NEW SECTION. SECTION 4. Licensing mechanical or electronic video game machine -- limitation -- contract term -- fees -- rules. (1) The department of revenue shall, upon payment of the fee provided in subsection (2) and in conformance with rules adopted pursuant to subsection (3), issue a license for each mechanical or electronic video game machine that is available for the playing of a game that simulates the card game of draw poker, provided that no license may be used under this section:

(a) that would allow any applicant to make available more than five machines licensed under this section; and

(b) unless the applicant has entered into a contract with the machine's owner, if the owner is a person other than the applicant, for the placement of the machine for a minimum term of 30 months.

(2) Each mechanical or electronic video game machine simulating the game of draw poker is subject to an annual license fee of \$1200, 25% of which is deposited to the general fund and 75% of which is forwarded, 30 days after collection, to the treasurer of the county or the clerk, finance officer, or treasurer of the incorporated city or town in which the licensed machine is located for deposit in the county or municipal general fund. Under [this act], counties will not receive proceeds from fees on licensed machines located in incorporated cities and towns. The license expires on June 30 of each year, and the fee is prorated.

(3) The department of revenue shall adopt rules necessary to implement this section and to provide for the design, manufacture, distribution, and accounting of validating devices to be attached to machines licensed under subsection (1).

(continued)

MARCH 23 1985

NEW SECTION. Section 5. Codification instruction. Section 4 is intended to be codified as an integral part of Title 23, chapter 5, part 3, and the provisions of Title 23, chapter 5, part 3, apply to section 4.

NEW SECTION. Section 6. Effective dates. (1) This section and subsection (3) of section 4 are effective on passage and approval for the purpose of adoption of rules that are applicable on July 1, 1985.

(2) The remainder of this act is effective July 1, 1985."

AND AS AMENDED
BE CONCURRED IN

Sen. Mike Halligan

ROLL CALL VOTE

SENATE COMMITTEE BUSINESS & INDUSTRY

Date MARCH 28, 1985 HOUSE Bill No. 236 Time

NAME	YES	NO
Chairman Mike Halligan		X
V-Chrm. B. F. Christiaens	X	
Senator Paul Boylan	X	
Senator David Fuller	X	
Senator Delwyn Gage		X
Senator Pat Goodover	Not present for vote	
Senator Allen Kolstad	X	
Senator Ted Neuman		X
Senator Gene Thayer	X	
Senator Bob Williams	X	
Senator Cecil Weeding		X

Carol Duval
Secretary

Mike Halligan
Chairman

Motion: Motion made by Senator Williams to adopt the Gray bill
as amended for House Bill 236, passed 6 -4. Senator Halligan,
Gage, Neuman and Weeding voted no.

MINUTES OF THE MEETING
BUSINESS & INDUSTRY COMMITTEE
MONTANA STATE SENATE

April 3, 1985

The fifty-second meeting of the Business & Industry Committee met on Wednesday, March 3, 1985 in Room 410 of the Capitol Building at 10 a.m. The meeting was called to order by Chairman Mike Halligan.

ROLL CALL: All committee members were present. Also present were Senate Majority Leader, Fred Van Valkenburg, Representative Bob Pavlovich and John LaFaver, Director of the Department of Revenue.

DISPOSITION OF HOUSE BILL 236: The committee had met on March 29 and given Mary McCue, Legislative Staff Attorney some guidelines as to what they wanted included as amendments to House Bill 236. She then gave an explanation of the new proposals. Twelve new amendments had been proposed and she referred the committee to an outline of those changes she had prepared. (EXHIBIT 1) She noted the title had been changed from its original title. The bill would be known now as a substitute bill due to the number of changes made.

Section 1 has four definitions in it to include department, licensed establishment, licensee and video draw poker machines. The draw poker machine has a long list of specifications included which are similar to Senate Bill 391 without the computer tie-in. Section 4 sets the winning percentage.

Section 5 limits the amount of money that may be played per machine per game. Section 6 provides for the licensing by a local governing body. She noted there was the authority for a local governing body to license video machines and this would enable them to charge a license fee in addition.

Section 7 gives the power to the department of revenue to enforce and to be able to seize a machine that is in violation also.

Section 8 gives the specifications for state license qualifications. The person who has the liquor license or the tavern owner will be the one who has to satisfy the qualifications in order to have the machine in place.

Senator Goodover noted in section 5 (b) of Section 8 the word "have" must be inserted so it would read the directors must have resided in Montana for at least a year.

Section 9 simply states that these machines are legal. The implication is that other machines are not legal unless they satisfy the specifications and requirements of this act. The card games act does not apply to video poker.

Section 10 deals with the state license fee. The department would issue the license and charge an annual fee and the split would be 25/75. The smaller portion would go to the state general fund and the larger portion to local governments.

Section 11 expands the police power of the department of revenue. Mary McCue noted that in SB 391 there was a fine of \$5,000 for violation and this had been changed to \$10,000.

Section 12 deals with effective dates. She noted there is still a reference to the 30 month lease provision in the bill and if there is to be a sunset provision this would have to be addressed.

Senator Christiaens noted that the costs of the machine and the revenue it might develop made a lease no longer necessary and he felt the time period should be eliminated. Senator Christiaens then MOVED THAT THE LANGUAGE REGARDING THE 30 MONTH LEASE PERIOD BE REMOVED. The motion carried.

Senator Christiaens then MOVED TO SUNSET THE ACT July 1, 1987. Senator Goodover felt this was not necessary as he felt that the legislature could address this. Senator Fuller felt we should wait till next session to see how the program is going first. Senator Christiaens had talked with some senators who were reluctant to pass the bill unless a sunset provision was in effect. Rep. Pavlovich disagreed and so did Senator Goodover. On a roll call vote Senator Christiaens' Motion to sunset the act failed 6-5. (EXHIBIT 2)

Senator Gage wondered where the machines could be located and Mary McCue noted they can only be in a licensed establishment that has a liquor license. He expressed concern the machines would be located in areas where minors might have access to them. After some discussion, Senator Fred Van Valkenburg noted that in many small towns the local bar is a gathering place for all the local people and it would be difficult to segregate the machines. Senator Weeding felt it should be policed somehow however.

Senator Fuller MOVED TO CHANGE THE FEE FROM \$1500 to \$2000. Senator Goodover wondered if there was a difference if you had more than one machine and was told the price would be the same for each machine. As a SUBSTITUTE MOTION, SENATOR THAYER MOVED TO CHANGE THE FEE TO \$2500. Senator Williams felt this was far too high, he felt a graduated fee would be better. Senator Van Valkenburg noted the fee was very important because it could mean defeat or passage of the legislation. He felt the \$2000 fee would be more acceptable. Senator Kolstad felt that local governments would be looking closely at this and he too favored Senator Fuller's amendment.

Senator Fuller asked John LaFaver to respond concerning revenue figures. He felt that the action would vary from machine to machine. He felt if you went to a flat rate you would see fewer

machines in areas where the volume of play would be low.

Senator Williams felt it was important to know what percentage would be paid out to the county also.

Senator Thayer's MOTION TO CHANGE THE FEE FROM \$1500 to \$2500 failed.

Senator Fuller's MOTION TO CHANGE THE FEE TO \$2000 passed with Senator Neuman and Senator Williams voting "no".

Discussion began on a MOTION by Senator Fuller TO SPLIT THE PERCENTAGE 50/50 WITH 50% GOING TO THE STATE AND 50% GOING TO LOCAL GOVERNMENTS. Senator Christiaens expressed concern about how the money was allocated. He wondered if it might be better to handle this on a block grant process and might be fairer to the smaller towns. Senator Williams felt it might be better to administrate the way it is already designated in the bill. Senator Boylan noted that with block grants a small town like West Yellowstone generates a great deal of revenue but on a block grant basis gets back very little. Senator Weeding opposed the 50/50 split. Senator Goodover and Senator Gage also expressed reservations about the 50/50 split.

Senator Thayer spoke in support of keeping the split at 75/25. He felt the revenue should be distributed where it is generated from, from where the machine is located. Senator Kolstad noted this would be giving the bigger cities the most revenue.

Senator Fuller wondered how the money would be distributed and Mary McCue noted that if it was in the cities it would go to the cities and if licensed in the county it would go to the county government. She noted that Rep. Pavlovich had the word "incorporated" in his amendments and this had been removed. Senator Kolstad felt by doing this the counties would be totally eliminated. Senator Williams also felt this word was important and should remain in the bill.

Senator Fuller felt it was very important to know just how the money will be distributed. Rep. Pavlovich noted that the intent is for the money to stay in the cities if the machines are in the cities and in the counties if they are located in the counties.

Senator Van Valkenburg wondered if it was clear that two licenses are not going to be required in the bill. It would be a state license and a local license if the local governments wanted one. Senator Kolstad felt there should be a cap on the amount that cities can license. Senator Christiaens expressed concern though about setting a cap.

Senator Christiaens then asked Blake Wordal to explain the block grant process. Blake Wordal stated there are actually two block grants. The first is a replacement for license fees that are not

fully funded. Revenues from the first block grant program are returned to every taxing jurisdiction. Anything above the level of the first grant goes into the second block grant program and the state does not participate in this area just the local jurisdiction. He noted by overfunding a block grant program the money left over would automatically slop over into the second grant program. Senator Christiaens felt this was the reason he thought the block grant method would be beneficial to the local governing powers.

Senator Fuller wondered how much money might possibly be generated and John LaFaver felt there might be \$10 million if there were 5000 machines.

Senator Van Valkenburg advised the committee not to confuse the voting on the split with the block grant method because this was an entirely different matter. He also stated that the local governments are not getting anything right now and the only way they will be receiving anything is if this bill should pass. He noted the local enforcement officials had to enforce the situation when the draw 80 poker machines were in use before and handled it with the resources they had then. He felt the 50/50 split would make the bill more acceptable he felt.

Senator Goodover added that if the 75/25 split remains that there should be something written into the statement of intent so the local governments will realize this is not a windfall to them and that there should consequently be a reduction in property tax at least indicated.

On Senator Fuller's MOTION TO CHANGE THE SPLIT TO 50/50 the proposal failed 6-5. (EXHIBIT 3) Senator Boylan, Senator Gage, Senator Goodover, Senator Neuman, Senator Thayer and Senator Weeding voted "no". The split will remain at 75/25 as indicated in the bill.

Senator Christiaens then MOVED TO HANDLE THE DISTRIBUTION THROUGH THE BLOCK GRANT PROGRAM. Larry Kern, from the Department of Commerce, explained in more detail how a block grant program works.

Senator Thayer wondered if the bill in its present form would allow some counties to opt not to have the machines. If this were so, then counties that did not want the machines would still be sharing in the allocations he felt with the block grant method. Senator Goodover did not see the need to involve another department in order to institute this method. On a vote for Senator Christiaens MOTION TO GO TO THE BLOCK GRANT METHOD, the motion failed 10-1.

Mary McCue noted the language in the bill could say that you may license the machine in a city or town where the machine will be located and license it in the county if the machine is not located in a city or a town. Senator Kolstad then

MADE A MOTION TO ALLOW ONLY THE LOCAL GOVERNMENTS WHERE THE MACHINES ARE LOCATED TO LICENSE IF THEY WANT THE MACHINES. The motion carried.

Senator Van Valkenburg explained the reason he had sat in on the meeting was because he felt the bill would take a bit of time on the floor and he hoped that any objections there were could be handled before the bill went out on the floor for debate. He also wanted information from a leadership standpoint.

Senator Weeding felt there should be a restriction of just where the machines should be located. Senator Fuller felt if parents wanted their kids to be present they could be and he did not feel the machines should be hidden away in a dark corner. Senator Kolstad felt since it was unlawful for them to play them or receive the winnings there would not be a problem.

Senator Williams thought the wording should read "payout" instead of winnings in the bill. He then made a MOTION TO CHANGE THE WORDING TO SAY PAYOUT. On a roll call vote this motion failed 7-4. Senator Christiaens, Senator Boylan, Senator Fuller, Senator Gage, Senator Goodover, Senator Kolstad and Senator Neuman voted "no". (EXHIBIT 4)

Senator Halligan noted that it had not been addressed whether or not minors can play the machines. Senator Kolstad MOVED TO EXCLUDE THOSE UNDER THE LEGAL DRINKING AGE FROM OPERATING THE MACHINES. The motion carried with Senator Boylan voting "no".

Senator Halligan felt the language in Section 8, sub 1 and 2, should be struck as it was not necessary. Senator Christiaens felt this language came from the liquor license act. After some discussion, it was felt there should be something stating that in order to qualify for licensing you must have the same qualifications you have to have to obtain a state liquor license. Phil Strobe was asked to comment on this and he also felt the language was not necessary. Senator Fuller MOVED TO STRIKE SUBSECTION 1 and 2 AND TIE IT TO THE SAME QUALIFICATIONS AS THE LIQUOR LICENSE REQUIRES. This motion carried.

Senator Christiaens wondered about the transfer of a license if there was a change in ownership. Rep. Pavlovich noted this was already established law.

Senator Christiaens MOVED THAT HOUSE BILL 236 BE CONCURRED IN AS AMENDED. A gray bill will be typed in order to let the committee members have more time to study the bill more thoroughly. Senator Neuman spoke against the motion because he

felt that Senate Bill 391 was a better system with the electronic hookups. The MOTION TO CONCURR IN AS AMENDED passed 7-4 with Senator Gage, Senator Neuman, Senator Thayer, and Senator Halligan voting "no".

The meeting was adjourned at 11:30 a.m.



SENATOR MIKE HALLIGAN, Chairman

cd

ROLL CALLBUSINESS & INDUSTRY

COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date 4/3/8

SENATE
SENT
#

NAME	PRESENT	ABSENT	EXCUSED
Chairman Halligan	X		
V-chrm. Christiaens	X		
Senator Boylan	X		
Senator Fuller	X		
Senator Gage	X		
Senator Goodover	X		
Senator Kolstad	X		
Senator Neuman	X		
Senator Thayer	X		
Senator Williams	X		
Senator Weeding	X		

Each day attach to minutes.

Brief outline of sections of HB 236, as amended

Section 1. short title

2. definitions
3. description, specifications
4. winning percentage
5. limitation on amount of money played and value of prizes
6. licensing by local governing bodies
7. powers and duties of the department--licensing
8. license qualifications, limitation on number of machines, lease term
9. legality of machines
10. license fee
11. investigations and violations
12. effective date

HOUSE BILL 236

1. Title, lines 4 through 6.

Following: "ACT"

Strike: remainder of title

Insert: "PROVIDING FOR LICENSING AND PLACEMENT OF
ELECTRONIC VIDEO DRAW POKER MACHINES; PROVIDING FOR
DISTRIBUTION OF REVENUE; PROVIDING A PENALTY PROVISION; AND
PROVIDING EFFECTIVE DATES."

2. Page 1.

Strike: everything following the enacting clause

Insert: "Section 1. Short title. [Sections 1 through 11]
shall be known and may be cited as the "Video Draw
Poker Machine Control Law of 1985".

Section 2. Definitions.

As used in [sections 1 through 11], the following
definitions apply:

(1) "Department" means the department of revenue.

(2) "Licensed establishment" means an establishment
that is licensed to sell alcoholic beverages for consumption
on the premises.

(3) "Licensee" means an individual, partnership, or
corporation that has been issued a license by the department
for the placement of video draw poker machines in a licensed
establishment.

(4) "Video draw poker machine" means an electronic video game machine that, upon insertion of cash, is available to play or simulate the play of the game of draw poker, as provided in [sections 1 through 11], utilizing a video display and microprocessors in which, by the skill of the player or by chance, or both, the player may receive free games or credits that can be redeemed for cash. The term does not include a machine that directly dispenses coins, cash, tokens, or anything else of value.

Section 3. Description and specifications.

(1) Each video draw poker machine must:

(a) be inspected in the state of Montana for certification and licensure by the department;

(b) be connected with a system consisting of player-operated terminals. The terminals must be intelligent devices operated by the players in the manner specified in [sections 1 through 11].

(c) not have any switches, jumpers, wire posts, or any other means of manipulation that could affect the operation or outcome of a game; and

(d) offer only the game of draw poker and have the following method of operation:

(i) the cards must be shuffled after each hand of poker is dealt;

(ii) the game must have one memory location for each card in the deck. The deck must be shuffled by use of a random number generator to exchange each card in the deck with another randomly selected card;

(iii) after shuffling, five cards must be dealt from the top of the deck;

(iv) any discarded cards must be replaced by remaining cards in the deck, starting with the sixth card and using the cards in the order of the deck;

(v) after the first five cards of a hand have been dealt, the player must be allowed to raise his wager up to the amount of his initial ante, not to exceed eight quarters;

(vi) the game must display the hands for which free games or credits will be awarded and the number of free games or credits for each hand;

(vii) the machine must have doors to two locking areas, one area containing the logic board and software for the game draw poker and the other housing the cash compartment and mechanical meters. These areas must be locking and separated. Access to one from the other must not be allowed at any time.

(viii) the machine must have two mechanisms that accept quarters;

(ix) the machine must use a color display with images of cards that closely resemble standard poker playing cards;

(x) the machine must be capable of printing a ticket voucher for the player at the completion of each game. If credits are owed the player, the ticket must contain:

- (A) the name of the licensed establishment;
- (B) the name of the city, town, or county in which the licensed establishment is located;
- (C) the value of the prize in numbers;
- (D) the value of the prize in words;
- (E) the time of day, in hours and minutes in a 24-hour format;
- (F) the date;
- (G) the machine license number or serial number up to eight digits;
- (H) the sequential number of the ticket voucher; and
- (I) an encrypted validation number from which the validity of the prize can be determined;

(xi) an exact copy of each printed ticket voucher must be printed and retained within the machine;

(xii) the machine must have nonresettable mechanical meters housed in the cash compartment that keep a permanent record of:

- (A) coins accepted by each coin acceptor;
 - (B) credits played by player;
 - (C) credits won by player; and
 - (D) credits printed out by the ticket voucher printer;
- (xiii) the machine must contain electronic metering using meters that record the following and display them on the video screen:
- (A) total coins in mechanism 1, total coins in mechanism 2, and total coins in mechanisms 1 and 2 combined;
 - (B) total credits, total credits played, and total credits won;
 - (C) total hands of poker played and total hands of poker won;
 - (D) total winning hands, consisting of a pair, two pair, three of a kind, a straight, a flush, a full house, four of a kind, a straight flush, or five of a kind;
 - (E) total errors from the logic board random access memory; and
 - (F) total examination of electronic meters;

(xiv) the machine may not have any functions or parameters adjustable by or through any separate video display or input codes, except for the adjustment of features that are wholly cosmetic;

(x) the machine must issue, by activation of an external switch, an accounting ticket containing a performance synopsis of the machine. The ticket must contain:

- (A) the name of the licensed establishment;
- (B) the name of the city, town, or county in which the licensed establishment is located;
- (C) the license number of the machine;
- (D) the time of day, in hours and minutes in a 24-hour format;

(E) the date; and
(F) the electronic meter readings required by
subsection (xii)

Section 4. Winning percentage -- verification.
The department shall prescribe the winning percentage, which must be at least 80%. Each machine must have an electronic accounting device that the department may use to verify the winning percentage.

Section 5. Limitation on amount of money played and value of prizes. A machine may not allow more than \$2 to be played on a game or award free games or credits in excess of the value of \$100 per hand.

Section 6. Licensing by local governing bodies.

(1) Any city, town, or county governing body may issue to a person who meets the qualifications of [section 8] a license for video draw poker machines to be used on the premises of a licensed establishment.

(2) In addition to the license fee paid under [section 10], a governing body may charge an annual license fee for each license issued under this section. The license expires on June 30 of each year, and the fee must be prorated.

Section 7. Powers and duties of the department -- licensing.

(1) The department shall administer the provisions of [sections 1 through 5 and 7 through 11].

(2) The department shall adopt rules implementing [sections 1 through 5 and 7 through 11] and with respect to state licenses:

- (a) provided licensing procedures;
- (b) prescribe necessary application forms; and
- (c) grant or deny license application.

(3) The department may not deny or place a condition on a license except for reasonable cause.

(4) The department is a criminal justice agency, and designated employees are granted peace officer status with powers of search, seizure, and arrest to regulate and control those persons licensed under [sections 1 through 5 and 7 through 11].

Section 8. State license qualifications.

(1) A person may not be granted a license unless he is of good character, honest, has adequate financing from suitable sources, is a citizen of the United States, and has resided in this state for at least 1 year prior to the application.

(2) No license may be granted to a person who has been convicted of being or is the keeper of a house of prostitution or has had a license issued under [sections 1 through 5 and 7 through 11], revoked for cause.

(3) A license may not be renewed if the licensee no longer meets the requirements for granting a license.

(4) If a license applicant is a partnership, each partner, including a limited partner, must qualify under subsections (1) through (3).

(5) If a license applicant is a corporation:

(a) it must have been a registered Montana corporation for a least 1 year prior to the application;

(b) at least one-half of its directors must ^{have} resided in Montana for at least 1 year;

(c) each officer must qualify under subsections (1) through (3); and

(d) each stockholder must be a natural person and, if he owns 5% or more of the stock of corporation, he must qualify under subsections (1) through (3).

(6) A licensee may not make available for play on the premises of his licensed establishment more than five machines.

(7) If under a lease agreement, a video draw poker machine may not be placed in a licensed establishment unless the owner, lessee, or other person operating the licensed establishment operating the licensed establishment has entered into a contract with a machine owner for the placement of the machines for a minimum term of 30 months.

(8) A person denied a state license has the right to a hearing before the department. The hearing must be conducted in accordance with the provisions of the Montana Administrative Procedure Act.

Section 9. Legality of machines. No person may place a video draw poker machine in his licensed establishment unless he is licensed under [section 10]. Machines licensed under [section 10] are legal and it is legal to play such machines. The provisions of Title 23, chapter 5, part 3, do not apply to or prohibit video draw poker machines or the playing of such machines.

Section 10. State license fee.

(1) The department of revenue, upon payment of the fee provided in subsection (2) and in conformance with rules adopted under [section 7] shall issue to the licensee a license for each video draw poker machine.

(2) The department shall charge an annual license fee of \$1,500 for each machine and shall deposit 25% of the fee in the state general fund and forward 75% of the fee to the treasurer of the county or the clerk, finance officer, or treasurer of the city or town in which the licensed machine is located for deposit to the county or municipal treasury. Counties are not entitled to proceeds from fees on licensed machines located in cities and towns. The license expires on June 30 of each year, and the fee is prorated.

Section 11. Investigations and violations. (1) The department shall make necessary investigations, suspend or revoke state licenses for violations of [sections 1 through 5 and 7 through 11], and hold hearings on such matters. A license may be suspended prior to a hearing upon a finding of danger to public health and welfare, but may not be revoked until the hearing is completed.

(2) A violation of [sections 1 through 5 and 7 through 11] or a rule promulgated under [section 7] is a criminal offense, and a fine not to exceed \$10,000 for the first violation and \$15,000 for a subsequent violation must be imposed.

(3) If a video draw poker machine is operated in violation of [sections 1 through 5 and 7 through 11] it may be seized under 23-5-121, and 23-5-122 applies.

(4) Employees of the department designated as enforcement agents may investigate the background of license applicants to the extent judged necessary by the department, but no person may be investigated prior to his submission of an application for a license.

(5) Findings of suspected illegal activity must be reported to the appropriate law enforcement agency.

(6) Any peace officer of this state may arrest a person for tampering with a video draw poker machine, attempting or conspiring to manipulate the outcome or the payoff of a video draw poker machine, or manipulating the outcome or payoff of a video draw poker machine by physical tampering or other interference with the proper functioning of the machine.

Section 12. Preemption of local taxes. Video draw poker machines are exempt from taxes or fees levied by any government entity except as provided in [sections 1 through 5 and 7 through 11].

Section 12. Effective dates--termination date. (1) This section and subsection (2) of section 7 are effective on passage and approval for the purpose of adoption of rules that are applicable on July 1, 1985.

(2) The remainder of this act is effective July 1, 1985.

ROLL CALL VOTE

EXHIBIT 2
BUSINESS & INDUSTRY
April 3, 1985

SENATE COMMITTEE BUSINESS & INDUSTRY

Date April 3, 1985 HOUSE Bill No. 236 Time 11 a.m.

NAME	YES	NO
Chairman Mike Halligan	X	
V-Chrm. B. F. Christiaens	X	
Senator Paul Boylan		X
Senator David Fuller		X
Senator Delwyn Gage		X
Senator Pat Goodover		X
Senator Allen Kolstad	X	
Senator Ted Neuman		X
Senator Gene Thayer	X	
Senator Bob Williams		X
Senator Cecil Weeding	X	

Carol Duval
Secretary

Mike Halligan
Chairman

Motion: Motion by Senator Christiaens to sunset the act
effective July 1, 1987. The motion failed 6-5.

ROLL CALL VOTE

SENATE COMMITTEE BUSINESS & INDUSTRY

Date April 3, 1985 HOUSE Bill No. 236 Time 11:15 a.m.

NAME	YES	NO
Chairman Mike Halligan	X	
V-Chrm. B. F. Christiaens	X	
Senator Paul Boylan		X
Senator David Fuller	X	
Senator Delwyn Gage		X
Senator Pat Goodover		X
Senator Allen Kolstad	X	
Senator Ted Neuman		X
Senator Gene Thayer		X
Senator Bob Williams	X	
Senator Cecil Weeding		X

Carol Duval
Secretary

Mike Halligan
Chairman

Motion: Motion by Senator Fuller to change the split to
50/50. Motion failed 6-5. Senator Boylan, Senator Gage,
Senator Goodover, Senator Neuman, Senator Thayer and Senator
Weeding voted "no".

ROLL CALL VOTE

EXHIBIT 4
BUSINESS & INDUSTRY
April 3, 1985

SENATE COMMITTEE BUSINESS & INDUSTRY

Date April 3, 1985 HOUSE Bill No. 236 Time 11:20 a.m.

NAME	YES	NO
Chairman Mike Halligan	X	
V-Chrm. B. F. Christiaens		X
Senator Paul Boylan		X
Senator David Fuller		X
Senator Delwyn Gage		X
Senator Pat Goodover		X
Senator Allen Kolstad		X
Senator Ted Neuman		X
Senator Gene Thayer	X	
Senator Bob Williams	X	
Senator Cecil Weeding	X	

Carol Duval
Secretary

Mike Halligan
Chairman

Motion: Motion by Senator Williams to change the wording
to payout instead of winnings. This motion failed 7-4 with
Senator Christiaens, Senator Boylan, Senator Fuller, Senator Gage,
Senator Goodover, Senator Kolstad and Senator Neuman voting "no".

STANDING COMMITTEE REPORT

Page 1 of 7

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MR. PRESIDENT

BUSINESS & INDUSTRY

We, your committee on.....

HOUSE BILL 236

having had under consideration..... No.....

_____ reading copy (_____)
color

REDEFINE "CARD GAMES" TO INCLUDE VIDEO GAME MACHINES

HOUSE BILL 236

Respectfully report as follows: That..... No.....

be amended as follows:

1. Title, lines 4 through 6.

Following: "AN ACT"

Strike: remainder of title

Insert: "PROVIDING FOR LICENSING AND PLACEMENT OF
ELECTRONIC VIDEO DRAW POKER MACHINES; PROVIDING FOR
DISTRIBUTION OF REVENUE; PROVIDING A PENALTY PROVISION; AND
PROVIDING EFFECTIVE DATES."

2. Page 1.

Strike: everything following the enacting clause

Insert: "Section 1. Short title. [Sections 1 through 11]
shall be known and may be cited as the "Video Draw
Poker Machine Control Law of 1985".

Section 2. Definitions. As used in [sections 1
through 11], the following definitions apply:

(1) "Department" means the department of revenue.

(2) "Licensed establishment" means an establishment
that is licensed to sell alcoholic beverages for consumption
on the premises.

(continued)

XXXXPASS

XXXXXXXXXXXX
XXDO NOT PASS

Chairman.

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19 85

(3) "Licensee" means an individual, partnership, or corporation that has been issued a license by the department for the placement of video draw poker machines in a licensed establishment.

(4) "Video draw poker machine" means an electronic video game machine that, upon insertion of cash, is available to play or simulate the play of the game of draw poker, as provided in [sections 1 through 11], utilizing a video display and microprocessors in which, by the skill of the player or by chance, or both, the player may receive free games or credits that can be redeemed for cash. The term does not include a machine that directly dispenses coins, cash, tokens, or anything else of value.

Section 3. Description and specifications. (1) Each video draw poker machine must:

(1) be inspected in the state of Montana for certification and licensure by the department;

(2) be connected with a system consisting of player-operated terminals. The terminals must be intelligent devices operated by the players in the manner specified in [sections 1 through 11].

(3) not have any switches, jumpers, wire pots, or any other means of manipulation that could affect the operation or outcome of a game; and

(4) offer only the game of draw poker and have the following method of operation:

(a) the cards must be shuffled after each hand of poker is dealt;

(b) the game must have one memory location for each card in the deck. The deck must be shuffled by use of a random number generator to exchange each card in the deck with another randomly selected card;

(c) after shuffling, five cards must be dealt from the top of the deck;

(d) any discarded cards must be replaced by remaining cards in the deck, starting with the sixth card and using the cards in the order of the deck;

(e) after the first five cards of a hand have been dealt, the player must be allowed to raise his wager up to the amount of his initial ante, not to exceed eight quarters;

(continued)

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(f) the game must display the hands for which free games or credits will be awarded and the number of free games or credits for each hand;

(g) the machine must have doors to two locking areas, one area containing the logic board and software for the game draw poker and the other housing the cash compartment and mechanical meters. These areas must be locking and separated. Access to one from the other must not be allowed at any time.

(h) the machine must have two mechanisms, hereafter referred to as "mechanism 1 and mechanism 2," that accept quarters;

(i) the machine must use a color display with images of cards that closely resemble standard poker playing cards;

(j) the machine must be capable of printing a ticket voucher for the player at the completion of each game. If credits are owed the player, the ticket must contain:

(i) the name of the licensed establishment;

(ii) the name of the city, town, or county in which the licensed establishment is located;

(iii) the value of the prize in numbers;

(iv) the value of the prize in words;

(v) the time of day, in hours and minutes in a 24-hour format;

(vi) the date;

(vii) the machine license number or serial number up to eight digits;

(viii) the sequential number of the ticket voucher; and

(ix) an encrypted validation number from which the validity of the prize can be determined;

(k) an exact copy of each printed ticket voucher must be printed and retained within the machine;

(l) the machine must have nonresettable mechanical meters housed in the cash compartment that keep a permanent record of:

(i) coins accepted by each coin acceptor;

(ii) credits played by player;

(iii) credits won by player; and

(iv) credits printed out by the ticket voucher printer;

(m) the machine must contain electronic metering using meters that record the following and display them on the video screen:

(i) total coins in mechanism 1, total coins in mechanism 2, and total coins in mechanisms 1 and 2 combined;

(continued)

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(ii) total credits, total credits played, and total credits won;

(iii) total hands of poker played and total hands of poker won;

(iv) total winning hands, consisting of a pair, two pair, three of a kind, a straight, a flush, a full house, four of a kind, a straight flush, or five of a kind;

(v) total errors from the logic board random access memory; and

(vi) total examination of electronic meters;

(n) the machine may not have any functions or parameters adjustable by or through any separate video display or input codes, except for the adjustment of features that are wholly cosmetic;

(o) the machine must issue, by activation of an external switch, an accounting ticket containing a performance synopsis of the machine. The ticket must contain:

(i) the name of the licensed establishment;

(ii) the name of the city, town, or county in which the licensed establishment is located;

(iii) the license number of the machine;

(iv) the time of day, in hours and minutes in a 24-hour format;

(v) the date; and

(vi) the electronic meter readings required by subsection (l).

Section 4. Expected payback -- verification.

The department shall prescribe the expected payback value of one credit played to be at least 80% of the value of a credit. Each machine must have an electronic accounting device that the department may use to verify the winning percentage.

Section 5. Limitation on amount of money played and value of prizes. A machine may not allow more than \$2 to be played on a game or award free games or credits in excess of the value of \$100 per hand.

(continued)

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Section 6. Licensing by local governing bodies.

(1) Any city, town, or county governing body may issue to a person who meets the qualifications of [section 8] a license for video draw poker machines to be used on the premises of a licensed establishment. A machine may be licensed by a city or town if located in the city or town or by the county if the machine is not located in a city or town.

(2) In addition to the license fee paid under [section 10], a governing body may charge an annual license fee for each license issued under this section. The license expires on June 30 of each year, and the fee must be prorated.

Section 7. Powers and duties of the department -- licensing.

(1) The department shall administer the provisions of [sections 1 through 5 and 7 through 11].

(2) The department shall adopt rules implementing [sections 1 through 5 and 7 through 11] and, with respect to state licenses:

- (a) provide licensing procedures;
- (b) prescribe necessary application forms; and
- (c) grant or deny license applications.

(3) The department may not deny or place a condition on a license except for reasonable cause.

(4) The department is a criminal justice agency, and designated employees are granted peace officer status with powers of search, seizure, and arrest to regulate and control those persons licensed under [sections 1 through 5 and 7 through 11].

Section 8. State license qualifications -- limitations -- right to hearing.

(1) A person who meets the requirements of 16-4-401

(2) for a license to sell alcoholic beverages for consumption on the premises may be granted a license for the placement of video draw poker machines in a licensed establishment.

(2) A licensee may not make available for play on the premises of his licensed establishment more than five machines.

(3) A person denied a state license has the right to a hearing before the department. The hearing must be conducted in accordance with the provisions of the Montana Administrative Procedure Act.

(continued)

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Section 9. Video draw poker machines -- possession -- play -- restriction. No person may place a video draw poker machine in his licensed establishment unless he is licensed under [section 10]. Machines licensed under [section 10] are legal, and it is legal to play such machines, except that a person under the legal age for consuming or possessing alcoholic beverages may not play a video draw poker machine. The provisions of Title 23, chapter 5, part 3, do not apply to or prohibit video draw poker machines or the playing of such machines.

Section 10. State license -- fee.

(1) The department of revenues, upon payment of the fee provided in subsection (2) and in conformance with rules adopted under [section 7] shall issue to the licensee a license for each video draw poker machine.

(2) The department shall charge an annual license fee of \$2,000 for each machine and shall deposit 25% of the fee in the state general fund and forward 75% of the fee to the treasurer of the county or the clerk, finance officer, or treasurer of the city or town in which the licensed machine is located, for deposit to the county or municipal treasury. Counties are not entitled to proceeds from fees on licensed machines located in cities and towns. The license expires on June 30 of each year, and the fee is prorated.

Section 11. Investigations and violations. (1) The department shall make necessary investigations, suspend or revoke state licenses for violations of [sections 1 through 5 and 7 through 11], and hold hearings on such matters. A license may be suspended prior to a hearing upon a finding of danger to public health and welfare, but may not be revoked until the hearing is completed.

(2) A violation of [sections 1 through 5 and 7 through 11] or a rule promulgated under [section 7] is a criminal offense, and a fine not to exceed \$10,000 for the first violation and \$15,000 for a subsequent violation must be imposed.

(3) If a video draw poker machine is operated in violation of [sections 1 through 5 and 7 through 11], it may be seized under 23-5-121 and the provisions of 23-5-122 apply.

(continued)

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(4) Employees of the department designated as enforcement agents may investigate the background of license applicants to the extent judged necessary by the department, but no person may be investigated prior to his submission of an application for a license.

(5) Findings of suspected illegal activity must be reported to the appropriate law enforcement agency.

(6) Any peace officer of this state may arrest a person for tampering with a video draw poker machine, attempting or conspiring to manipulate the outcome or the payoff of a video draw poker machine, or manipulating the outcome or payoff of a video draw poker machine by physical tampering or other interference with the proper functioning of the machine.

Section 12. Effective dates--termination date. (1) This section and subsection (2) of section 7 are effective on passage and approval for the purpose of adoption of rules that are applicable on July 1, 1985.

(2) The remainder of this act is effective July 1, 1985."

AND AS AMENDED
BE CONCURRED IN

SEN. MIKE MALLIGAN, Chairman

MINUTES OF THE MEETING
BUSINESS & INDUSTRY COMMITTEE
MONTANA STATE SENATE

April 4, 1985

The fifty-third meeting of the Business & Industry Committee met on Thursday, April 4, 1985 in Room 410 of the Capitol Building. The meeting was called to order by Chairman Mike Halligan at 10 a.m.

ROLL CALL: All committee members were present. Also present were John Poston, Lobbyist for the Montana Coin Machine Operators, Dave Schlosser from the Department of Revenue and Bob Durkee from the Montana Tavern Association.

DISPOSITION OF HOUSE BILL 236: Chairman Halligan noted that he had requested the Department of Revenue have a representative available for any questions the committee might still have regarding House Bill 236. A gray bill had been prepared and was distributed to committee members along with a statement of intent. (EXHIBIT 1)

Questions had been raised earlier about whether or not the machines could be made tamperproof. John Poston stated he felt the old machines could be used but the department of revenue might have to seal off the portion of the machine that was adjustable. Bob Durkee stated they had information that a tamperproof machine could be manufactured but his primary concern would be the cost of such a machine. He felt some of the specifications would make the cost of the machines prohibitive. Senator Williams hoped that the old machines could be utilized as he felt more would be licensed if they could use the old machines. John Poston noted that there were some of the older machines that could not be set for the pay out of 80% however.

Senator Goodover wondered if the present machines would be able to perform all the functions spelled out in the specifications. John Poston noted the existing machines did not have the ticket device but this could be added onto the machines he felt. Senator Weeding wondered about the two door sections of the machine. John Poston explained one was for the bookkeeping section and one was for the cash compartment.

Dave Schlosser then spoke on the revenue impact this bill would have. He noted a fiscal note had been requested but had not yet been completed. He thought the licensing program would be similar to the liquor licensing program. This would require 5 FTE. To do the inspections and monitoring of the machines they would require three revenue agents and one accountant. Senator Kolstad felt this was far too many people. Dave Schlosser noted that the licensing for the liquor division requires 5 people and even then in their peak period have to hire additional help to get them through the busier times. The total cost would be about \$203,000 per year. The breakdown of the 5 FTE would be two licensing technicians, a research clerk, a file clerk

and a supervisor.

For operating expenses, this would require computer services, supplies, filing, telephone, vehicle and travel expenses of approximately \$77,000 the first year and \$62,000 the second year.

Dave Schlosser was then asked if this could possibly be tied in with the liquor inspections. He noted the liquor inspectors are mostly used for licensing. He stated the major reason they would go to an establishment would be when they received a complaint of watered liquor, etc. and then they would usually go undercover.

Senator Weeding wondered how many verification stops would be necessary per year by the department and Dave Schlosser felt that a minimum of 4 times per year would be required.

Senator Williams asked what the functions and duties of the inspectors would be. Dave Schlosser stated they would mostly check to see if the machines are licensed and current, check to see if the machine has been tampered with and verify if the meters are accurate. If a machine was found to be in violation, the machine would be seized.

Dave Schlosser wondered if there might be a problem in misinterpretation if a person could expect an 80% payback from the machine. He felt the proper statistical wording for averaging should be "expected value." John Poston felt this might be proper wording from a statistician's point of view but in gambling jargon winning percentage is used. Senator Christiaens felt this was clear in the bill.

Senator Thayer wondered about the maintenance of the machines and what would happen if a machine were to go beserk. Dave Schlosser noted they would then have to call a state inspector to come and examine the machine or else the department would be compelled to seize the machine. Senator Neuman wondered if a machine would have to be recertified each time it was worked on. John Poston felt that regular maintenance of the machine would not affect the metered part or the sealed off portion of the machine. Bob Durkee felt if a machine were to start playing erratically the barowner would contact the machine owner and the machine would be replaced or repaired. It was noted that the newer machines were much more accurate and reliable than the older machines were. The percentage of reliability now is somewhere near 99.5% Dave Schlosser noted and he thought at the most there might possibly be 50 machines per year that might need attention. He noted they would have a board of bonded repairmen to contact to do routine maintenance calls.

Senator Goodover then MOVED TO ADOPT THE STATEMENT OF INTENT FOR HOUSE BILL 236. The motion carried. Senator Neuman voted "no".

The meeting was adjourned at 11:30 a.m.

ROLL CALL

BUSINESS & INDUSTRY

COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date 4/4/8

NAME	PRESENT	ABSENT	EXCUSED
Chairman Halligan	X		
V-chrm. Christiaens	X		
Senator Boylan	X		
Senator Fuller	X		
Senator Gage	X		
Senator Goodover	X		
Senator Kolstad	X		
Senator Neuman	X		
Senator Thayer	X		
Senator Williams	X		

Each day attach to minutes.

EXHIBIT 1
BUSINESS & INDUSTRY
April 4, 1985

HOUSE BILL NO. 236

INTRODUCED BY PAVLOVICH, DRISCOLL, HARP, ZABROCKI,
JACK MOORE, NISBET, KEENAN, D. BROWN, HARRINGTON, KRUEGER,
MANNING, JONES, C. SMITH, O'CONNELL, LYNCH, JACOBSON,
STIMATZ, DANIELS, HAFHEY, BOYLAN, GALT, TVEIT, GOULD
MENAHAH, QUILICI, HOLLIDAY, KOEHNKE, BRADLEY, MARKS

A BILL FOR AN ACT ENTITLED: "AN ACT DEFINING--"CARD-GAME"--TO
INCLUDE-A-GAME-PLAYED-ON-A-MECHANICAL--OR--ELECTRONIC--VIDEO
GAME--MACHINE--AMENDING-SECTION-23-5-302--MEA. PROVIDING FOR
LICENSING AND PLACEMENT OF ELECTRONIC VIDEO DRAW POKER
MACHINES; PROVIDING FOR DISTRIBUTION OF REVENUE; PROVIDING A
PENALTY PROVISION; AND PROVIDING EFFECTIVE DATES."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

(Refer to Third Reading Bill)

Strike everything after the enacting clause and insert:

Section 1. Short title. [Sections 1 through 11] shall
be known and may be cited as the "Video Draw Poker Machine
Control Law of 1985".

Section 2. Definitions. As used in [sections 1 through
11], the following definitions apply:

(1) "Department" means the department of revenue.

(2) "Licensed establishment" means an establishment
that is licensed to sell alcoholic beverages for consumption

1 on the premises.

2 (3) "Licensee" means an individual, partnership, or
3 corporation that has been issued a license by the department
4 for the placement of video draw poker machines in a licensed
5 establishment.

6 (4) "Video draw poker machine" means an electronic
7 video game machine that, upon insertion of cash, is
8 available to play or simulate the play of the game of draw
9 poker, as provided in [sections 1 through 11], utilizing a
10 video display and microprocessors in which, by the skill of
11 the player or by chance, or both, the player may receive
12 free games or credits that can be redeemed for cash. The
13 term does not include a machine that directly dispenses
14 coins, cash, tokens, or anything else of value.

15 Section 3. Description and specifications. Each video
16 draw poker machine must:

17 (1) be inspected in the state of Montana for
18 certification and licensure by the department;

19 (2) be connected with a system consisting of
20 player-operated terminals. The terminals must be intelligent
21 devices operated by the players in the manner specified in
22 [sections 1 through 11].

23 (3) not have any switches, jumpers, wire posts, or any
24 other means of manipulation that could affect the operation
25 or outcome of a game; and

1 (4) offer only the game of draw poker and have the
2 following method of operation:

3 (a) the cards must be shuffled after each hand of
4 poker is dealt;

5 (b) the game must have one memory location for each
6 card in the deck. The deck must be shuffled by use of a
7 random number generator to exchange each card in the deck
8 with another randomly selected card;

9 (c) after shuffling, five cards must be dealt from the
10 top of the deck;

11 (d) any discarded cards must be replaced by remaining
12 cards in the deck, starting with the sixth card and using
13 the cards in the order of the deck;

14 (e) after the first five cards of a hand have been
15 dealt, the player may be allowed to raise his wager up to
16 the amount of his initial ante, not to exceed eight
17 quarters;

18 (f) the game must display the hands for which free
19 games or credits will be awarded and the number of free
20 games or credits for each hand;

21 (g) the machine must have doors to two locking areas,
22 one area containing the logic board and software for the
23 game draw poker and the other housing the cash compartment
24 and mechanical meters. These areas must be locking and
25 separated. Access to one from the other must not be allowed

1 at any time.

2 (h) the machine must have two mechanisms, hereinafter
3 referred to as "mechanism 1" and "mechanism 2", that accept
4 quarters;

5 (i) the machine must use a color display with images
6 of cards that closely resemble standard poker playing cards;

7 (j) the machine must be capable of printing a ticket
8 voucher for the player at the completion of each game. If
9 credits are owed the player, the ticket must contain:

10 (i) the name of the licensed establishment;

11 (ii) the name of the city, town, or county in which the
12 licensed establishment is located;

13 (iii) the value of the prize in numbers;

14 (iv) the value of the prize in words;

15 (v) the time of day, in hours and minutes in a 24-hour
16 format;

17 (vi) the date;

18 (vii) the machine license number or serial number up to
19 eight digits;

20 (viii) the sequential number of the ticket voucher; and

21 (ix) an encrypted validation number from which the
22 validity of the prize can be determined;

23 (k) an exact copy of each printed ticket voucher must
24 be printed and retained within the machine;

25 (l) the machine must have nonresettable mechanical

1 meters housed in the cash compartment that keep a permanent
2 record of:

- 3 (i) coins accepted by each coin acceptor;
- 4 (ii) credits played by player;
- 5 (iii) credits won by player; and
- 6 (iv) credits printed out by the ticket voucher printer;
- 7 (m) the machine must contain an electronic metering
8 system, using meters that record the following and display
9 them on the video screen:

10 (i) total coins in mechanism 1, total coins in
11 mechanism 2, and total coins in mechanisms 1 and 2 combined;

12 (ii) total credits, total credits played, and total
13 credits won;

14 (iii) total hands of poker played and total hands of
15 poker won;

16 (iv) total winning hands, consisting of a pair, two
17 pair, three of a kind, a straight, a flush, a full house,
18 four of a kind, a straight flush, or five of a kind;

19 (v) total errors from the logic board random access
20 memory; and

21 (vi) total examination of electronic meters;

22 (n) the machine may not have any functions or
23 parameters adjustable by or through any separate video
24 display or input codes, except for the adjustment of
25 features that are wholly cosmetic;

1 (o) the machine must issue, by activation of an
2 external switch, an accounting ticket containing a
3 performance synopsis of the machine. The ticket must
4 contain:

5 (i) the name of the licensed establishment;

6 (ii) the name of the city, town, or county in which the
7 licensed establishment is located;

8 (iii) the license number of the machine;

9 (iv) the time of day, in hours and minutes in a 24-hour
10 format;

11 (v) the date; and

12 (vi) the electronic meter readings required by
13 subsection (1).

14 Section 4. Expected payback -- verification. The
15 department shall prescribe the expected payback value of one
16 credit played to be at least 80% of the value of a credit.
17 Each machine must have an electronic accounting device that
18 the department may use to verify the winning percentage.

19 Section 5. Limitation on amount of money played and
20 value of prizes. A machine may not allow more than \$2 to be
21 played on a game or award free games or credits in excess of
22 the value of \$100 per hand.

23 Section 6. Licensing by local governing bodies. (1)
24 Any city, town, or county governing body may issue to a
25 person who meets the qualifications of [section 8] a license

1 for video draw poker machines to be used on the premises of
2 a licensed establishment. A machine may be licensed by a
3 city or town if located in the city or town or by the county
4 if the machine is not located in a city or town.

5 (2) In addition to the license fee paid under [section
6 10], a governing body may charge an annual license fee for
7 each license issued under this section. The license expires
8 on June 30 of each year, and the fee must be prorated.

9 Section 7. Powers and duties of the department --
10 licensing. (1) The department shall administer the
11 provisions of [sections 1 through 5 and 7 through 11].

12 (2) The department shall adopt rules implementing
13 [sections 1 through 5 and 7 through 11] and, with respect to
14 state licenses:

15 (a) provide licensing procedures;

16 (b) prescribe necessary application forms; and

17 (c) grant or deny license applications.

18 (3) The department may not deny or place a condition
19 on a license except for reasonable cause.

20 (4) The department is a criminal justice agency, and
21 designated employees are granted peace officer status with
22 powers of search, seizure, and arrest to regulate and
23 control those persons licensed under [sections 1 through 5
24 and 7 through 11].

25 Section 8. State license qualifications --

1 limitations -- right to hearing. (1) A person who meets the
2 requirements of 16-4-401(2) for a license to sell alcoholic
3 beverages for consumption on the premises may be granted a
4 license for the placement of video draw poker machines in a
5 licensed establishment.

6 (2) A licensee may not make available for play on the
7 premises of his licensed establishment more than five
8 machines.

9 (3) A person denied a state license has the right to a
10 hearing before the department. The hearing must be conducted
11 in accordance with the provisions of the Montana
12 Administrative Procedure Act.

13 Section 9. Video draw poker machines -- possession --
14 play -- restriction. No person may place a video draw poker
15 machine in his licensed establishment unless he is licensed
16 under [section 10]. Machines licensed under [section 10] are
17 legal, and it is legal to play such machines, except that a
18 person under the legal age for consuming or possessing
19 alcoholic beverages may not play a video draw poker machine.
20 The provisions of Title 23, chapter 5, part 3, do not apply
21 to or prohibit video draw poker machines or the playing of
22 such machines.

23 Section 10. State license -- fee. (1) The department
24 of revenue, upon payment of the fee provided in subsection
25 (2) and in conformance with rules adopted under [section 7],

1 shall issue to the licensee a license for each video draw
2 poker machine.

3 (2) The department shall charge an annual license fee
4 of \$2,000 for each machine and shall deposit 25% of the fee
5 in the state general fund and forward 75% of the fee to the
6 treasurer of the county or the clerk, finance officer, or
7 treasurer of the city or town in which the licensed machine
8 is located, for deposit to the county or municipal treasury.
9 Counties are not entitled to proceeds from fees on licensed
10 machines located in cities and towns. The license expires
11 on June 30 of each year, and the fee is prorated.

12 Section 11. Investigations and violations. (1) The
13 department shall make necessary investigations, suspend or
14 revoke state licenses for violations of [sections 1 through
15 5 and 7 through 11], and hold hearings on such matters. A
16 license may be suspended prior to a hearing upon a finding
17 of danger to public health and welfare but may not be
18 revoked until the hearing is completed.

19 (2) A violation of [sections 1 through 5 and 7 through
20 11] or a rule promulgated under [section 7] is a criminal
21 offense, and a fine not to exceed \$10,000 for the first
22 violation and \$15,000 for a subsequent violation must be
23 imposed.

24 (3) If a video draw poker machine is operated in
25 violation of [sections 1 through 5 and 7 through 11], it may

1 be seized under 23-5-121 and the provisions of 23-5-122
2 apply.

3 (4) Employees of the department designated as
4 enforcement agents may investigate the background of license
5 applicants to the extent judged necessary by the department,
6 but no person may be investigated prior to his submission of
7 an application for a license.

8 (5) Findings of suspected illegal activity must be
9 reported to the appropriate law enforcement agency.

10 (6) Any peace officer of this state may arrest a
11 person for tampering with a video draw poker machine,
12 attempting or conspiring to manipulate the outcome or the
13 payoff of a video draw poker machine, or manipulating the
14 outcome or payoff of a video draw poker machine by physical
15 tampering or other interference with the proper functioning
16 of the machine.

17 Section 12. Effective dates -- termination date. (1)
18 This section and subsection (2) of section 7 are effective
19 on passage and approval for the purpose of adoption of rules
20 that are applicable on July 1, 1985.

21 (2) The remainder of this act is effective July 1,
22 1985.

-End-

MR. PRESIDENT,

WE, YOUR COMMITTEE ON BUSINESS AND INDUSTRY HAVING HAD UNDER CONSIDERATION HOUSE BILL NO. 236, ATTACH THE FOLLOWING STATEMENT OF INTENT:

STATEMENT OF INTENT

EXHIBIT 1
BUSINESS & INDUSTRY
April 4, 1985

House BILL NO. 236

A statement of intent is required for this bill because section 7 gives the department of revenue authority to make rules to implement and regulate the licensing of electronic video draw poker machines and the distribution of the fees received from the licensing of the machines.

It is the intent of the legislature that rules be adopted to protect the health, welfare, and safety of the citizens of the state of Montana and to assure compliance with this bill.

The rules should at a minimum:

- (1) ensure the integrity and security of the machines;
- (2) provide a method of examining the qualifications of state license applicants and licensees;
- (3) provide for investigation procedures;
- (4) provide a procedure for monitoring the machines in play to assure their compliance with this bill;
- (5) provide for a distinctive device that will serve as an identifying and validating mark for each machine that has been licensed and provide for a method to account for the devices;
- (6) provide that no machine be made available to the public for play unless it has been duly licensed, with the fee paid and validating device attached.